Constituency Lost: How the Marginalization of Social Housing Residents Undermines Partisan Incentives for Its Provision[*]

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Abstract

Rising rents have renewed interest in social housing across Europe, yet new construction has stagnated. We argue that this decline reflects compositional changes among social housing residents that weakened the political coalition that once sustained public housing and reduced left-wing parties' electoral incentives to provide it. Combining full-population registry, election, and survey data from Denmark, we show that social housing residents have become economically marginalized, while left-wing electorates have grown more affluent and educated. Consistent with this divergence, support for the Social Democrats declined in precincts with high concentrations of social housing, and the party ceased to be electorally rewarded for its expansion. Using a regression discontinuity design and data from all local elections and housing permits, we show that municipalities once approved more social housing under Social Democratic control. This partisan effect vanished by the mid-1990s. Our findings highlight how beneficiary composition shapes the political sustainability of welfare programs.

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1 Introduction

Social housing has reemerged as a pressing issue amid rising rents, housing shortages, and growing economic insecurity. For residents who depend on affordable housing, public provision can serve as an anchor of stability, inclusion, and urban belonging. Social housing was a cornerstone of postwar socio-economic development in many European countries, tightly woven into the urban fabric and designed to serve broad segments of the working and middle classes (Hawes 2021; Scanlon, Whitehead and Fernández Arrigoitia 2014). While this still holds true in some countries, such as Austria or Switzerland, the share of social housing has declined in many others over the past few decades as new construction has slowed (Kholodilin, Kohl and Müller 2022).

In this paper, we examine parties' electoral incentives to provide social housing and focus on long-term compositional change among its residents as a key driver. We argue that social housing is best understood as a coalition-based welfare program whose political viability relies on broad, cross-class support. Left-wing parties have stronger electoral incentives to provide social housing when its residents comprise a broader cross-section of society, including the working and middle classes. Direct electoral rewards to provision fade when social housing becomes a narrowly targeted, residual program for economically marginalized groups that are less politically engaged and likely to support the mainstream left. This dynamic is amplified by well-known parallel changes in left-wing parties' core constituencies (Gingrich and Häusermann 2015; Häusermann and Kitschelt 2024), which have become more economically affluent and less likely to reside in social housing. Irrespective of whether they live in social housing, left-wing voters may be less supportive of policies such as social housing as they become more narrowly targeted toward poor and immigrant populations (Cavaille and Ferwerda 2022; Dancygier 2010; Lawrence, Stoker and Wolman 2013). Together, these developments erode the broad electoral coalition that once sustained social housing programs and weaken the policy feedback loop between provision and political support.

Prior work offers several reasons for public housing shortages. Some argue that local residents oppose social housing construction over concerns about neighborhood change, gentrification, and declining property values (Einstein, Glick and Palmer 2019; Hall and Yoder 2022; Hankinson, Magazinnik and Sands 2024; Trounstine 2018); others document that, in light of constrained

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municipal budgets, voters prefer spending on domains other than social housing (Hilbig and Wiedemann 2024; Peterson 1981). A second argument suggests that voters of left-wing parties— historically the key force in public housing construction—have become more educated and richer (Chou and Dancygier 2021; Gingrich and Häusermann 2015) and therefore less likely to benefit from or support social housing, in part because they live in private rentals or own their homes. These perspectives shed light on important political constraints, but they largely overlook how changes in the socio-economic composition of social housing reshape electoral coalitions and political incentives surrounding its provision—an omission partly driven by data limitations, as detailed information on who lives in social housing is rarely available. We argue that the decline of social housing cannot be fully explained by local opposition, shifting preferences among middle-class left voters, or broad ideological shifts within parties. Instead, we draw attention to the changing composition of social housing residents and show how this transformation has, over time, undermined parties' incentives to expand social housing.

We develop and empirically test our argument in the context of Denmark. The country combines a long-standing tradition of public housing provision that mirrors developments across Western Europe. First, we draw on full-population registry data to document far-reaching changes in the socio-economic composition of social housing. We show that residents of social housing in the late-1980s were economically mixed and very similar to residents of market-rate housing in terms of income, education, and immigrant background. Three decades later, both groups have diverged considerably. Compared with people living in market-rate housing, social housing residents have lower incomes and education levels and are more likely to be immigrants.

Next, we examine how compositional changes among social housing residents shape electoral outcomes. Drawing on registry-based location of social housing units, we show that turnout and, in particular, support for the Social Democrats declined in precincts with high shares of social housing. This effect is most pronounced in precincts where social housing residents are more economically precarious. Using a novel panel dataset of all construction permits between 1981 and 2021, we demonstrate that electoral returns for building new social housing have declined at the same time for the Social Democrats.

Finally, we examine whether Social Democrats' electoral incentives to build new social housing have declined as social housing residents have become more economically-marginalized. We com-

bine the permit data with the partisan composition of over 2,500 city councils across four decades. Using a close-elections regression discontinuity design (RDD), we demonstrate that when the Social Democrats gain an additional seat on the city council, permits for social housing increase. This dynamic was particularly strong in the mid-1980s and early 1990s. However, by the mid-1990s, this partisan effect had vanished; Social Democrats were no more likely to build social housing.

Our paper contributes to research on the electoral implications of compositional changes among welfare program beneficiaries and the political coalitions that underpin partisan incentives to provide public housing. First, we demonstrate that the marginalization of social housing residents themselves can drive long-term electoral dynamics of social housing provision. Prior work has shown that the key electoral constituency of mainstream left parties in many rich democracies is no longer working-class voters but middle-income professionals (Gingrich and Häusermann 2015; Häusermann and Kitschelt 2024; Kitschelt and Rehm 2023). As a result, government-led gentrification does not necessarily hurt left-wing parties because it replaces low-income social housing residents with high-income private-market renters (Chou and Dancygier 2021). One implication is that the demise of social housing—and other welfare programs more generally—are the result of changing preferences of more affluent leftist voters and left-wing politicians. Our paper, however, shows that this picture is incomplete; it does not address how compositional changes among social housing residents undermine the political coalition sustaining public housing and parties' incentives to provide it. The political dynamics we document in this paper extend beyond Denmark. In many countries, social housing residents no longer represent a cross-section of working- and middle-classes but an increasingly marginalized group. As social housing residents become more economically marginalized, they lose their political defenders. This insight speaks to debates about class realignment, partisan change, and the durability of other welfare programs that were once sustained by encompassing coalitions but are now used by marginalized groups (Korpi and Palme 1998; Pierson 2001).

Second, we provide robust causal evidence—drawing on four decades of local elections and housing permits—that partisan control of city councils shapes social housing policy in a context where public housing was firmly embedded in the urban fabric. de Benedictis-Kessner, Jones and Warshaw (2024) finds that multifamily housing increases in American cities governed by Democratic mayors. Our paper, however, demonstrates that such partisan dynamics may not be stable

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over time. The Danish Social Democratic party was significantly more likely to approve public housing permits in the 1980s and early 1990s—but this partisan effect disappeared thereafter. This effect is not driven by the Social Democrats permitting less housing overall, or by fiscal constraints; nor has the party retreated from the provision of other public goods. This suggests that the decline in social housing reflects more than an ideological shift toward market liberalization and privatization associated with Third Way politics (Giddens 1999). Instead, our findings suggest that partisan incentives to build specific types of housing depend on how those policies are embedded in broader electoral coalitions and the socio-economic groups public housing serves.

Taken together, our findings show that social housing provision depends on the constituency it creates and sustains. When social housing comprised a broad, cross-class population, it was electorally valuable for the Social Democrats to expand it; as beneficiaries became more marginalized, the program's electoral payoff declined. This highlights a central dilemma of welfare politics: broad, integrating programs are politically sustainable, but they become vulnerable when their beneficiary base narrows—even without fiscal constraints or ideological shifts.

2 Theoretical Framework

Social housing was traditionally a key pillar in providing affordable housing to many residents (Scanlon, Whitehead and Fernández Arrigoitia 2014). Across much of Europe, the postwar era saw the creation of large social housing sectors, with especially extensive stocks in countries such as Austria, Denmark, and the Netherlands. Yet in most countries public housing has since declined, through a combination of a slowdown in new construction, the sale of existing units (for example under the United Kingdom's 'Right-to-Buy' scheme) to residents and financial investors, and the erosion of the remaining stock through inadequate maintenance, enabling decay and social deprivation (Goetz 2013; Murie 2016).

Prior work has explained the stagnation and decline in social housing due to fiscal constraints, voter preferences, local homeowner opposition, and ideological shifts. One set of arguments why local governments may shy away from building social housing is that they want to attract higher-income residents to strengthen their tax base (Peterson 1981); moreover, local governments may face budget constraints that make public housing a lower priority. Voters, too, may prefer mu-

nicipal spending on goods and services other than public housing (Hilbig and Wiedemann 2024). Such fiscal concerns, however, are less binding in some contexts where fiscal policies are centralized and where public housing is self-funded through bonds rather than local taxes. A second argument is that the supply of public housing is curbed by opposition from local residents who are concerned with neighborhood change, gentrification, and declining property values (Hankinson 2018; Trounstine 2018) and who make their voices heard through local town hall meetings (Einstein, Glick and Palmer 2019; Sahn 2022). However, recent research has found that a growing number of voters generally prefer public or social housing over market-rate housing (Larsen and Nyholt 2024; Trounstine 2023), suggesting that voter preferences alone are unlikely to fully explain the relative decline in social housing construction. Moreover, while local participatory institutions are common in some countries, such as the United States, they do not exist in others; if voters oppose new developments, their voices must find their way into the political system through other means, including elections. A third argument is that ideological shifts toward market liberalization and privatization can explain the trend toward private, market-rate housing rather than public housing (Kholodilin, Kohl and Müller 2022). But such changes in politicians' and parties' ideology must at least partially reflect changes in voters' ideology, or else parties would be voted out of office.

These perspectives are informative but cannot fully explain why political parties that once expanded social housing have increasingly withdrawn from doing so, even in periods of economic stability and in institutional contexts with relatively few local veto players and weak fiscal pressure. Our paper instead shifts the focus from constraints on supply to the political foundations of demand, conceptualizing social housing as a coalition-based welfare program whose durability depends on who benefits from it. We argue that long-run changes in the socio-economic composition of social housing residents have undermined the coalition that once sustained social housing and reshaped the electoral incentives of the parties historically responsible for its expansion.

2.1 Social Housing as a Coalition-Based Welfare Program

Classic welfare state theories highlight the importance of broad, cross-class coalitions in sustaining generous and robust welfare programs. Universalistic programs tend to be more durable because they generate support among many groups within major parties' electorates (Lawrence, Stoker

and Wolman 2013): parties can claim credit for expansion, while retrenchment risks backlash from pivotal voters (Pierson 2001). By contrast, targeted and means-tested programs serving narrower populations are prone to underfunding, neglect, and cuts because they lack a comparably broad constituency (Korpi and Palme 1998; Skocpol 1992). This logic, however, implicitly assumes that the socio-economic background of program constituencies remains relatively stable over time. We argue that when programs become more socio-economically concentrated, the coalition that once sustained generous provision weakens. As a result, even programs initially supported by broad constituencies may become prone to drift or retrenchment, as parties face diminishing electoral incentives to maintain or expand them (Pierson 2001).

Social housing can be understood in these terms. In the postwar period, many European countries created large social housing sectors that were not solely oriented toward the poorest households but served a broader set of residents. In this sense, social housing operates as a coalition-based welfare program: its viability depended on the breadth and political relevance of those who benefited from it. Social housing has also been closely associated with left-wing parties (Kohl and Sørvoll 2021; Scanlon, Whitehead and Fernández Arrigoitia 2014), making it a useful case for examining how shifts in beneficiary composition can reshape the electoral incentives underpinning welfare provision.

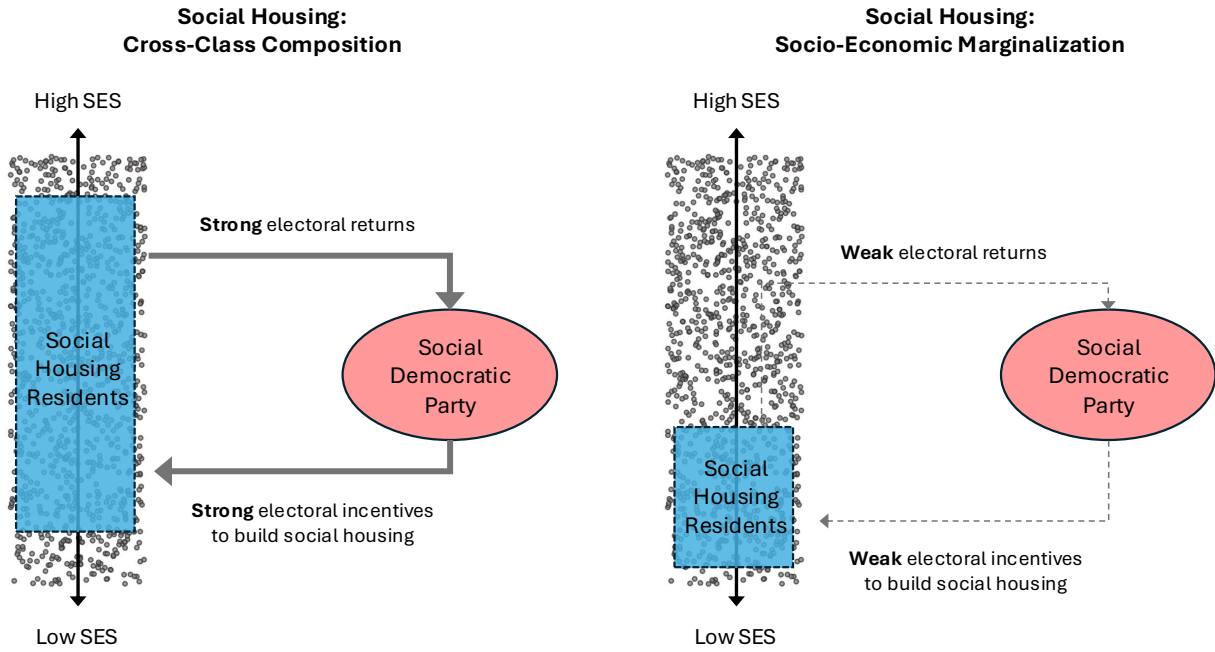## 2.2 Partisan Incentives to Provide Social Housing

Distributive politics models suggest that vote- and/or office-seeking parties allocate benefits to groups based on their electoral value, whether as reliable core supporters or as persuadable swing voters (Cox and McCubbins 1986; Lindbeck and Weibull 1987). From this perspective, parties should pursue housing policies favored by their core or prospective constituencies—either because supporters prefer public over private housing, are themselves social housing residents or aspire to be, or view social housing as benefiting a key group the party represents (de Benedictis-Kessner, Jones and Warshaw 2024; Müller and Strøm 1999; Strom 1990). The electoral payoff from social housing is therefore greatest when it is supported by a socio-economically broad cross-cutting coalition. Historically, social housing often served a wide cross-section of the working- and middle-class (Scanlon, Whitehead and Fernández Arrigoitia 2014), creating substantial overlap between social housing residents and the electorates of social democratic parties. Under these

conditions, left parties had strong incentives to expand and maintain social housing, since many pivotal voters were directly connected to the sector and could reward parties that delivered it.

However, this electoral calculus changes when the cross-class coalition sustaining social housing erodes. One reason is the electoral realignment of left-wing parties. Prior work has documented that the core support base of mainstream left parties has shifted from low-income, low-education working-class voters to middle-income, well-educated professionals (Gingrich and Häusermann 2015; Häusermann and Kitschelt 2024; Kitschelt and Rehm 2023). Few contemporary social democratic voters live in social housing. Many are homeowners or reside in private rental markets with relatively high degrees of security, rendering social housing a policy area of limited personal relevance. Some view social housing residents as competitors for public goods (Cavaille and Ferwerda 2022; Dancygier 2010) or prefer municipal spending on other goods and services (Hilbig and Wiedemann 2024).

Changes in parties' constituencies alone, however, are insufficient to account for the decline in social housing provision. First, if social housing residents continued to represent a politically relevant constituency for social democratic parties, those parties would still face strong incentives to maintain or expand public housing. Yet, as we show below, the socio-economic profile of social housing residents has also changed markedly: they have become more economically marginalized and increasingly spatially segregated (Kemp 2025). Lower socio-economic status is associated with lower electoral participation (Brady, Verba and Schlozman 1995) and a declining propensity to support mainstream left-wing parties (Emanuele 2023; Evans and Tilley 2017). To the extent that social housing residents disengage from electoral politics or become less aligned with the Social Democratic Party, the direct electoral returns to prioritizing social housing provision diminish. Finally, compositional changes can weaken parties' incentives to expand social housing even absent changes in beneficiary behavior or parties' constituencies. As social housing becomes increasingly associated with poorer and more marginalized (and often immigrant) populations, expanding it may generate weaker indirect electoral support among the broader electorate. Voters, including those on the left, tend to be more supportive of broadly accessible or middle-class–oriented policies than those perceived as narrowly redistributive (Korpi and Palme 1998; Lawrence, Stoker and Wolman 2013; Pierson 2001; Skocpol 1992). Under these conditions, social housing is no longer an electorally attractive, coalition-building policy, even if beneficiaries themselves (still) supported

Figure 1: Composition of Social Housing and Partisan Incentives for Its Provision

Notes: This figure illustrates the policy feedback loop between the electoral rewards of social housing and the partisan electoral incentives for its provision under two ideal-type residential compositions: a broad cross-class composition (left panel) and a socio-economically marginalized composition (right panel).

left parties.

Figure 1 illustrates how compositional changes of social housing residents reshape the policy feedback loop between electoral support of social housing as a policy and the electoral incentives of the Social Democratic Party to provide social housing under two ideal-typical socio-economic compositions of social housing residents. It also guides our empirical analyses. We first document the long-run demographic transformation of social housing residents from a broader cross-class composition toward socio-economic marginalization. We then examine whether this shift is reflected in electoral outcomes, focusing on turnout and support for the Social Democrats in precincts with high concentrations of social housing and where residents have become more marginalized. Finally, we study the complementary side of the feedback loop by estimating whether Social Democratic political influence translates into greater social housing provision at the municipal level, and whether this partisan effect weakens over time as the coalition underpinning social housing erodes.
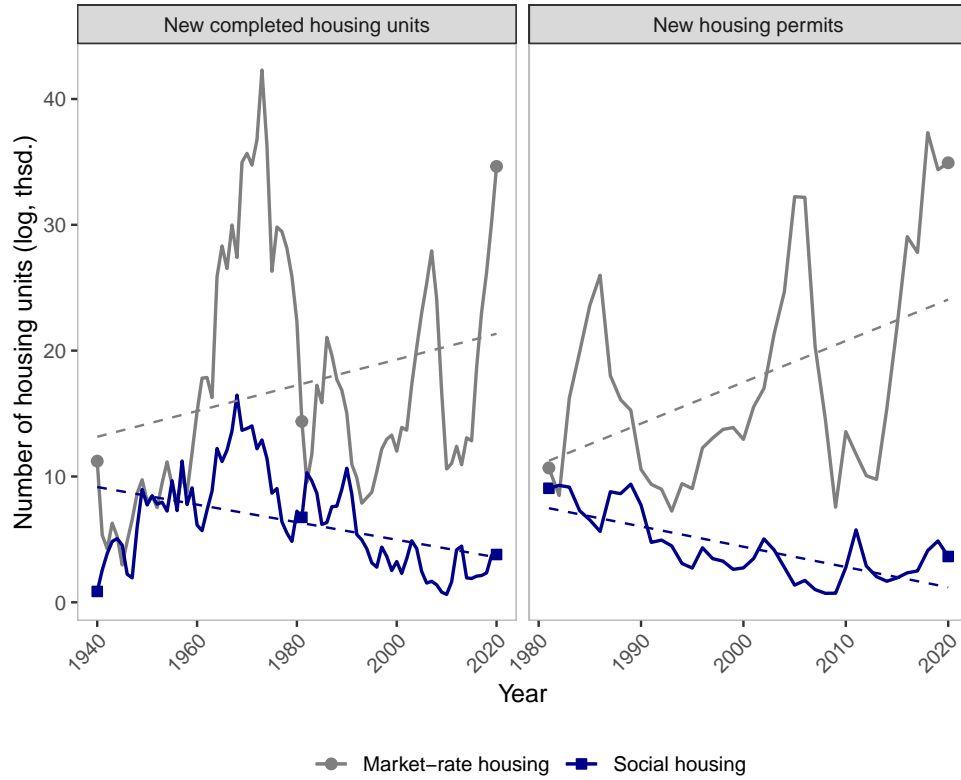
3 Social Housing in Denmark

We examine our argument in the context of social housing in Denmark. The Social Democratic Party has been Denmark's dominant left-wing party throughout the post-war period (Goul et al. 2003) and played a key role in establishing the Danish social housing system (Bro 2009).[1] Social housing is managed by private, non-profit housing associations democratically governed by tenants (Jensen 1997). Social housing is not directly means-tested; instead, access is managed through waiting lists. Social housing constitutes a large segment of the Danish housing system: roughly every fifth housing unit is social housing, and about every sixth person lives in social housing.

Two features of the Danish Social Housing system make Denmark a particularly appealing case for exploring our argument. First, land use policy in Denmark is controlled by local governments. While the national government sets the overall framework for social housing, all new projects require local approval. This turns municipal councils—and the committees and offices involved in local planning and permitting—into central gatekeepers for social housing projects. This decentralization generates local variation in the partisan composition of local councils and housing construction. Second, social housing places only a limited fiscal burden on Danish municipalities, reducing the role of budgetary trade-offs in local decision-making. Construction and maintenance costs are primarily borne by self-governing housing organizations, financed through renter deposits, mortgages, and an interest-free municipal loan. While municipalities guarantee part of the mortgage to lower financing costs, the financial risk rests mostly with private creditors. The national government provides temporary support by advancing payments on the most expensive mortgage segments, which are later repaid. Once loans are paid off, rental income flows into a dedicated construction fund to support ongoing maintenance and new development. This self-financing model insulates maintenance from municipal budget cuts and avoids the chronic disrepair seen in countries where social housing depends on volatile public funding. It also minimizes the extent to which approval decisions must compete with other spending priorities. As a result, partisan differences in local permitting decisions are less likely to reflect fiscal pressure and more likely to reflect differences in electoral incentives and political priorities. Unlike in countries

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[1]Positions on social housing have typically aligned with the traditional economic left–right divide, with left-wing parties supporting expansion and right-wing parties favoring free-market solutions.

Figure 2: Housing Construction in Denmark

Notes: Dashed lines show linear trends by housing type. See Section 6.1 below for details about the underlying data.

such as Germany, where social housing directly competes with other municipal services (Hilbig and Wiedemann 2024), the Danish system offers a relatively clean setting for identifying the political determinants of social housing provision.

At the same time, Denmark shares a central feature with many European countries: long-run declines in new social housing construction, despite stable institutions and sustained demand for affordable housing. Figure 2 shows permits and constructed units for social and market-rate housing in Denmark over the past 70 years. Social housing played a key role in the postwar period. During the 1950s, nearly half of all new housing units were social housing, offering modern amenities and larger layouts compared to the cramped and outdated tenement housing that had previously housed much of the working class. Suburbanization fueled a construction boom in market-rate housing during the 1960s and 1970s, with nearly 90 percent of market-rate housing being single-family homes, while most social housing remained apartment-based (Esping-Andersen

1978). The decline in social housing construction began in the 1980s as fewer permits were issued, and the share of new social housing units fell sharply. Social housing now accounts for just one in every ten new housing units. Denmark's trajectory closely parallels developments in countries such as Germany, the Netherlands, Norway, Sweden, and the United Kingdom (Kholodilin, Kohl and Müller 2022).

4 Who Lives in Social Housing

We begin by examining changes in the socio-economic composition of social housing residents. Drawing on population-wide administrative data since the 1980s, we show that social housing has shifted from representing a broad, economically mixed cross-section of the working and middle classes to concentrating a more economically marginalized population.
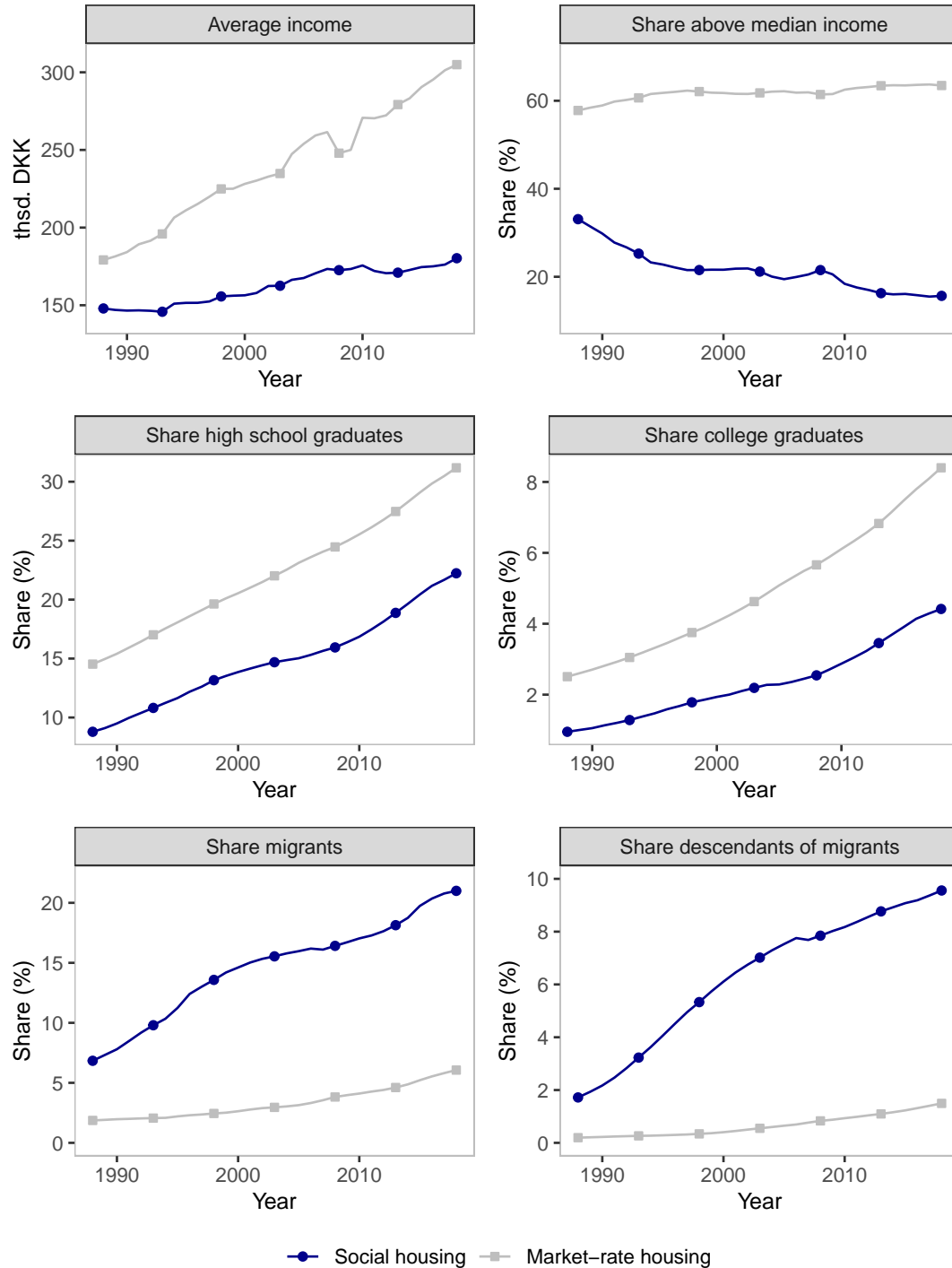
4.1 Data and Research Design

We draw on pseudonymized full-population registry data from Statistics Denmark to construct socio-demographic profiles of residents in social and market-rate housing between 1988 and 2019. The data include annual information on income, employment histories, education, immigration status, and household structure, along with address-level indicators of individuals' housing status. This allows us to compare the composition of social housing residents with that of market-rate housing residents and to quantify the extent of their economic marginalization over time. Appendix Section A presents summary statistics and data sources.

4.2 Results

Figure 3 presents long-run changes in the socio-economic composition of social housing and market-rate housing residents. The most striking trend is the widening socio-economic gap between the two groups. In the late 1980s, the average equivalized disposable income of social housing residents was only modestly lower than that of private housing residents. Over the next three decades, however, their trajectories diverged sharply. Market-rate residents experienced steady increases in disposable income, while income growth among social housing residents was substantially slower. By 2018, the income differential had nearly doubled to more than 130,000 DKK,

Figure 3: Characteristics of Social and Market-Rate Housing Residents

Notes: Social- and market-rate housing refer to individuals' residence in the given year. We exclude children and people living in cooperatives (7-8% of the population). Income is measured as inflation-adjusted annual equivalized disposable income (in 1,000 DKK). Education categories refer to the highest completed level of education. *N*=4–4.2mn.

reflecting a pronounced shift toward a more economically marginalized social housing population.

This pattern is reinforced by the decline in the share of social housing residents with incomes above the national median. In 1988, roughly one-third of social housing residents were above-median earners; by 2018, this share had fallen by half to around 15%. The share of above-median earners in market-rate housing remained relatively stable over the same time period. Social housing thus turned from an economically mixed tenure type to one that disproportionately houses people in the lower end of the income distribution.

Changes in educational attainment are consistent with this pattern of increasing socio-economic polarization. While educational levels increased across the entire population, the gap between social housing and market-rate residents widened. The share of high school and especially college graduates grew substantially faster among residents of private housing. Social housing residents remained disproportionately from groups with lower levels of formal educational attainment, contributing to a growing concentration of socio-economic disadvantage within the social housing sector.

Throughout the 1990s and 2000s, the share of immigrants and their descendants in social housing also rose sharply, far outpacing the corresponding trends in private housing. Immigrant households now constitute a substantial portion of the social housing population. While this shift reflects broader demographic changes in Denmark, it also contributes to the growing socio-economic marginalization of the social housing sector, given the well-documented income and employment disparities facing these groups (Dancygier and Laitin 2014; Hermansen et al. 2025).

Taken together, these trends show that social housing has undergone a profound demographic transformation. Once home to a broad cross-section of working- and middle-class Danes, it now houses a group that is more economically disadvantaged, less educated, and more likely to include immigrants and their descendants.

These trends could reflect broader changes in the socio-economic divide between the political left and right, rather than a specific decoupling among social housing residents. In Appendix Section B, we draw on data from the Danish National Election Study to show that Social Democratic voters have become more affluent and more highly educated over time, largely keeping pace with national trends. The party's electorate has therefore evolved in the opposite direction

of social housing residents, consistent with a growing distance between those who benefit from social housing and the voters who support the party that historically championed it.

5 Electoral Implications

What are the electoral implications of social housing residents becoming increasingly economically marginalized? We use two complementary empirical approaches. First, we analyze long-run changes in turnout and party support at the precinct level, comparing areas with high and low shares of social housing. This analysis speaks to one mechanism through which changes in the socio-economic composition of social housing reshape parties' electoral incentives: residents' declining electoral participation and partisan support. Second, we assess whether expanding social housing continues to generate electoral returns for the Social Democrats at the municipal level. This analysis does not isolate any single mechanism linking social housing provision to electoral outcomes. Rather, it captures the combined effect of expanding social housing on electoral returns, reflecting changes in beneficiary behavior, shifts in party constituencies, and broader voter attitudes toward social housing as a policy.

5.1 Data and Research Design

We analyze electoral outcomes at the precinct level using the Danish Elections Database and construct a balanced panel of precinct-level Social Democratic vote shares and turnout rates between 1979 and 2019.[2] Election surveys rarely identify whether respondents live in social housing, and even when they do, sample sizes are too small to estimate meaningful effects. Instead, we compare electoral outcomes across precincts with high and low concentrations of social housing. Precincts are the lowest geographic unit at which we can link party vote shares to social housing, and because social housing is spatially clustered, this comparison provides a useful measure of the association between changes in the composition of social housing and local electoral outcomes.

To address concerns about ecological inference, we combine election returns with full-population

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[2]Some precincts changed boundaries or were merged between elections. The election database accounts for this by interpolating election results across changing precincts. For details, see https://valgdatabase.dst.dk/about?lang=en.

registry data to track precinct composition longitudinally. For each precinct, we measure the share of residents living in social housing as well as average income and demographic characteristics, separately for residents in social and market-rate housing. We rely on national election returns because historical precinct-level data for local elections are unavailable; this is unlikely to pose major problems for our analysis, as national- and local-level Social Democratic support are strongly correlated ($r \sim 0.9$; see Hjorth and Hopkins (2021)). We group precincts into terciles based on their 1988 social housing share—the earliest year with precinct-level housing information. This allows us to study long-run changes while holding geography fixed. Using this pre-treatment baseline avoids post-treatment bias from precincts gaining or losing social housing in response to changing political or socio-economic conditions. The bottom and top terciles includes precincts with 1.8% and 48% of residents living in social housing, respectively, reflecting the strong spatial concentration of social housing.

Finally, we examine whether expanding social housing continues to generate electoral benefits for the Social Democrats at the municipal level. Specifically, we analyze whether municipalities that permit more social housing between two elections subsequently exhibit higher support for the Social Democrats—and whether this relationship changes over time. We use the same municipal-level electoral data and permit records as in the regression discontinuity design presented in the next section. We include all elections used in this analysis and estimate a stacked two-way fixed effects models of Social Democratic vote shares as a function of newly approved social housing permits between elections.

5.2 Results

Electoral Outcomes in By Precinct-Level Social Housing Shares

We begin by examining how the intensity of social housing is associated with electoral outcomes at the precinct level. Figure 4 plots average turnout and Social Democratic support in precincts with low and high shares of social housing between 1979 and 2019. In the 1980s, turnout levels were similar regardless of the local concentration of social housing. From the early 1990s onward, however, turnout declined in precincts with high concentrations of social housing while remaining stable at around 85% in precincts with little social housing. The relative decline is modest (about

Figure 4: Precinct-Level Electoral Outcomes, By Share of Social Housing

Notes: Precinct-level turnout and vote shares for the Social Democratic Party in national elections (share of voting-age population).

three percentage-points) but persistent. The more pronounced development is the change in support for the Social Democrats. In the 1980s, support was roughly 12 percentage-points higher in precincts with large shares of social housing. This electoral margin steadily narrowed over time. By the late-2010s, it had disappeared entirely.

To assess whether these diverging trends reflect changes associated with social housing rather than broader municipal developments, we estimate difference-in-trends models comparing precincts in the top tercile of the 1988 social housing distribution to those in the bottom tercile. All models include municipality fixed effects, ensuring that comparisons are made within the same municipalities over time. In addition, we account for changes in precinct composition by controlling for demographic and socio-economic characteristics of residents living in market-rate housing, including income, education, age structure, and immigrant share. In more demanding specifications, we further include municipality-specific time trends, which absorb gradual municipality-level changes in political or socio-economic conditions. The results, reported in Table 1, show that

Table 1: Changes in Precinct Electoral Outcomes, By Share of Social Housing

| | Turnout | SD Vote share | Turnout | SD Vote share | Turnout | SD Vote share |
	(1)	(2)	(3)	(4)	(5)	(6)
Decade	0.131	-2.930**	-0.391*	-0.868**	1.413*	-3.798**
	(0.091)	(0.160)	(0.191)	(0.322)	(0.580)	(1.007)
High share social housing	-2.334**	10.568**	-1.010*	11.429**	-1.295**	8.459**
	(0.401)	(0.808)	(0.462)	(0.904)	(0.443)	(0.890)
Decade × High share social housing	-0.635**	-2.712**	-0.557**	-2.186**	-0.347*	-2.021**
	(0.156)	(0.264)	(0.183)	(0.313)	(0.176)	(0.271)
Share university educated			11.197*	-16.616*	6.902	-3.425
			(4.355)	(6.612)	(4.566)	(8.748)
Income (100k DKK)			1.952**	-4.357**	2.468**	-1.572
			(0.714)	(0.960)	(0.781)	(1.409)
House prices (mln. DKK)			0.538*	-2.221**	0.299	-3.177**
			(0.243)	(0.563)	(0.303)	(0.488)
Share migrants			-23.043**	-2.940	-24.181**	11.353**
			(4.292)	(5.193)	(4.516)	(3.895)
Average age			-0.106**	0.306**	-0.099**	0.200**
			(0.037)	(0.060)	(0.036)	(0.045)
Mean (DV)	84.42	30.29	84.42	30.29	84.42	30.29
Municipality FE	✓	✓	✓	✓	✓	✓
Municipality-specific time trends					✓	✓
Adjusted R^2	0.38	0.66	0.55	0.49	0.57	0.70
Observations	4652	4652	4652	4652	4652	4652

Notes: High share social housing is an indicator for precincts in the top tercile of the distribution of residents living in social housing (baseline category: bottom tercile). All controls except share migrants are measured only for residents living in private (market-rate) housing. Precinct-clustered standard errors in parentheses. * $p<0.05$, ** $p<0.01$.

turnout declined by approximately 0.6 percentage points faster per decade in high–social housing precincts; Social Democratic support declines by about 2.7 percentage points faster per decade. Accounting for changes in the composition of residents in market-rate housing attenuates these estimates modestly but does not eliminate them, indicating that the observed patterns are not driven solely by demographic shifts among neighboring residents or broader municipal trends.

We would expect these trends to be more pronounced in precincts with more economically marginalized social housing residents. Table 2 shows exactly that. In precincts where larger shares of social housing residents have below-median incomes, the long-run decline in Social Democratic support is substantially larger than in precincts where social housing remains more economically mixed. In these precincts, changes in Social Democratic support are smaller and often statistically indistinguishable from zero.

Patterns for turnout are less clear-cut. While turnout declines more strongly in precincts where social housing residents are more economically marginalized, the estimates are less precise and

Table 2: Changes in Precinct Electoral Outcomes, By Share of Social Housing and Resident Incomes

	Low-income SH		High-income SH	
	Turnout	SD Vote share	Turnout	SD Vote share
	(1)	(2)	(3)	(4)
Decade	0.723	-3.742**	1.839	-2.161
	(0.649)	(1.356)	(0.943)	(1.659)
High share social housing	-1.903**	9.686**	-0.052	7.473**
	(0.627)	(1.361)	(0.703)	(1.871)
Decade × High share social housing	-0.296	-2.289**	-0.596**	-1.357*
	(0.209)	(0.380)	(0.212)	(0.535)
Mean (DV)	84.01	30.27	85.02	30.31
Covariates	✓	✓	✓	✓
Municipality FE	✓	✓	✓	✓
Municipality-specific time trends	✓	✓	✓	✓
Adjusted R^2	0.56	0.70	0.65	0.77
Observations	3205	3205	1447	1447

Notes: Columns 1–2 restrict the sample to precincts where social housing (SH) residents are relatively poor (an above-median share of social housing residents have below-average income); columns 3–4 restrict the sample to precincts where social housing residents are relatively well-off. Same covariates as in Table 1. Precinct-clustered standard errors in parentheses. * $p<0.05$, ** $p<0.01$.

more sensitive to specification choices; we therefore interpret them with caution.

In Appendix Section C, we present a complementary approach that directly examines whether changes in the socio-economic composition of social housing residents are associated with shifts in electoral behavior. This analysis exploits within-precinct variation in the social composition of social housing residents over time using two-way fixed effects models with precinct and election-year fixed effects. These models relate changes in turnout and Social Democratic vote shares to changes in the income, education, and migrant composition of social housing residents within a precinct, controlling for parallel demographic changes among residents living in market-rate housing. This strategy isolates the effect of compositional changes among social housing residents on local electoral outcomes, accounting for neighborhood-level demographic trends. The results confirm the patterns observed above. An increase in the economic marginalization of social housing residents (measured by declines in income and increases in migrant shares) is associated with lower Social Democratic vote shares.

Electoral Returns to Expanding Social Housing

The precinct-level analysis documents how electoral outcomes associated with social housing have changed over time, but it does not directly address whether expanding social housing continues to generate electoral benefits for the Social Democrats. We therefore turn to a complementary analysis at the municipal level that examines the electoral returns to permitting new social housing. Specifically, we estimate whether municipalities that approve more social housing between two elections subsequently exhibit higher support for the Social Democrats, and whether this relationship has weakened over time.

Drawing on municipal-level election results and construction permit data covering all elections between 1985 and 2017, we estimate whether municipalities that approve more social housing permits between two elections subsequently exhibit higher support for the Social Democrats, and whether this relationship has weakened over time. We use stacked two-way fixed effects models that include municipality and election-year fixed effects and control for local economic and demographic conditions, including market-rate housing construction, population growth, unemployment, immigration, and local tax rates. This analysis is observational and does not isolate any single mechanism linking social housing provision to electoral outcomes. Instead, it provides a summary measure of the electoral returns to expanding social housing, integrating potential changes in beneficiary behavior, shifts in party constituencies, and broader voter attitudes toward social housing as a policy.

The results, reported in Table 3, show that municipalities that expanded social housing experienced modest but statistically significant increases in support for the Social Democrats. However, this relationship is driven entirely by elections in the earlier half of this period, i.e., before the mid-1990s (see next section for more details on why we split the sample in this way). In the period after 1995, permitting additional social housing is no longer associated with higher Social Democratic vote shares. These findings are robust to the inclusion of a wide range of municipal-level controls.

We also find no evidence that the electoral returns to social housing shifted to other parties, including mainstream-right and far-right parties. Moreover, placebo tests using permits issued after the subsequent election yield null results, suggesting that the observed patterns are not driven by preexisting electoral trends in municipalities that were more likely to build social housing. We report these analyses in Appendix Section D.

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Table 3: Effect of Social Housing Permits on Support for Social Democrats in Municipal Elections

	Support for Social Democrats					
	(1) Pooled	(2) Before '95	(3) After '95	(4) Pooled	(5) Before '95	(6) After '95
Social Housing Permitted	1.021**	1.103**	0.264	1.039**	1.198**	0.201
	(0.286)	(0.355)	(0.631)	(0.286)	(0.358)	(0.640)
Market Rate Housing Permitted				0.000	0.002	-0.000
				(0.001)	(0.001)	(0.001)
Income Tax				0.127	0.256	-0.157
				(0.312)	(0.386)	(0.803)
Property Tax				0.005	-0.010	0.099
				(0.094)	(0.133)	(0.192)
Unemployment Rate				-0.041	-0.444	0.195
				(0.217)	(0.324)	(0.472)
Share Non-Western Immigrants				-0.087	0.449	-0.198
				(0.122)	(0.599)	(0.264)
Population (log)				-0.847	-11.579	-1.883
				(2.917)	(18.472)	(4.506)
Population growth				-0.099	-0.156	-0.050
				(0.119)	(0.220)	(0.154)
Mean (DV)	32.40	33.62	31.28	32.34	33.62	31.09
Municipality FE	✓	✓	✓	✓	✓	✓
Year FE	✓	✓	✓	✓	✓	✓
Adjusted R^2	0.78	0.84	0.81	0.78	0.84	0.80
Observations	1704	819	885	1648	819	829

Notes: Municipality-clustered standard errors in parentheses. * $p<0.05$, ** $p<0.01$.

Taken together, these results indicate that the electoral payoff to expanding social housing for the Social Democrats has weakened and ultimately disappeared. This erosion of electoral returns provides an important link between the changing composition of social housing residents and the party's incentives to support new construction. In the next section, we examine whether this weakening of electoral returns is reflected in social housing provision when Social Democrats hold political power.

6 Partisan Incentives to Provide Social Housing

If the electoral returns to social housing have weakened as its beneficiary base has become more economically marginalized, the incentives of parties historically associated with its provision should change accordingly. In particular, as social housing becomes less likely to generate electoral support—whether because residents are less politically engaged, less aligned with the Social

Democrats, or because the policy no longer appeals to the party's broader electorate—the partisan effect of left-wing control on social housing provision should diminish. To examine this final part of our argument, we analyze whether Social Democratic political influence translates into greater social housing provision at the municipal level, and whether this partisan effect weakens as the social housing residents becomes more economically marginalized.

6.1 Data and Research Design

We construct a balanced panel of all construction permits granted by Danish municipalities from 1981 to 2021.[3] We obtain detailed data on the total amount of authorized construction by housing type at the municipal level, enabling us to distinguish market-rate from social housing. The dataset goes beyond simple permit counts: it includes the precise living space (in square meters) authorized each year, giving appropriate weight to both densification of existing dwellings and the construction of new homes and capturing variation in dwelling size. (These data form the basis for Figure 2.)[4] We combine these housing permit data with a comprehensive dataset on local elections, including the partisan composition of city councils, covering more than 2,500 local elections in Denmark between 1971 and 2017 (Hjorth, Nyrup and Larsen 2024). This dataset includes over 22,000 party-year observations. Our analysis focuses on 1980–2017, as housing permit data are only available from 1980 onward.

To examine whether the Social Democrats expand social housing when they gain political influence, we employ a close-election regression discontinuity (RD) design. A key challenge in identifying partisan effects on public goods provision is that municipal characteristics and local electorates may be correlated with both partisan vote shares and policy outcomes. The RD design mitigates this problem by comparing municipalities where the Social Democrats narrowly won or lost a marginal city council seat, thereby isolating the causal effect of Social Democratic legislative influence on social housing provision. Since our data span nearly four decades, we can also estimate how this partisan effect has changed over time.

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[3]A structural reform in 2006 reduced the number of municipalities from 271 to 98. For our municipal-level analyses, we use municipal borders as defined in each election period, which means we observe fewer municipalities after 2005.

[4]We use the national BYGV dataset from Statistics Denmark for years prior to 1981 in Figure 2.
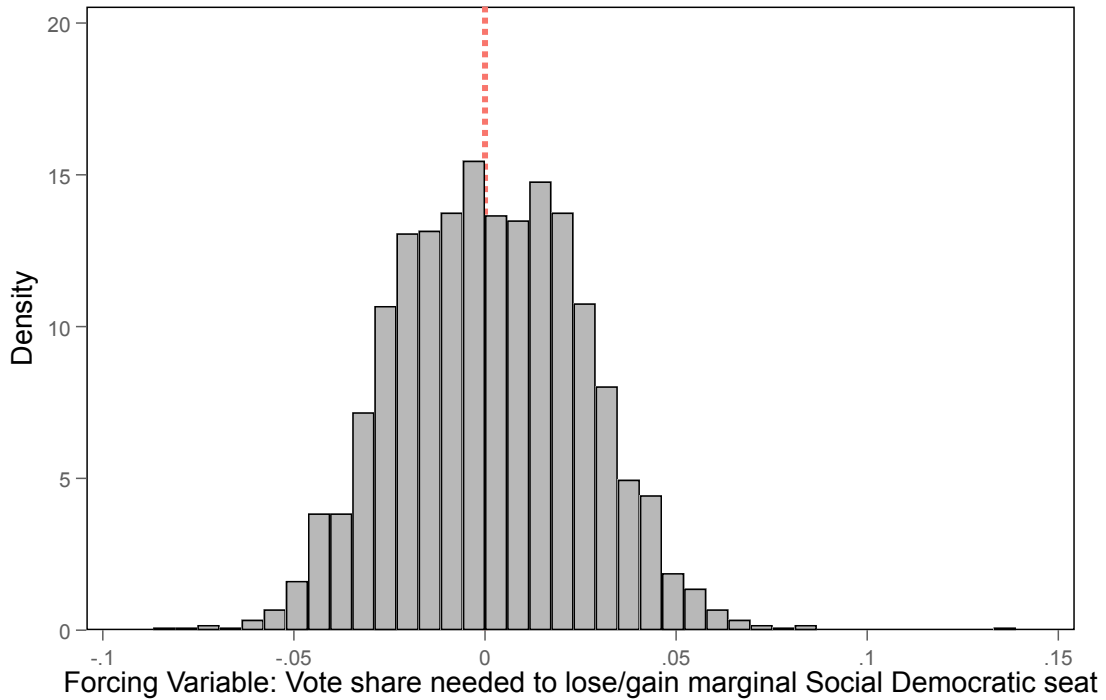
Specifically, we estimate the effect of the Social Democrats winning a marginal council seat—typically at the expense of a right-wing party, as we show below. While we focus on legislative seats rather than mayoral control, prior research demonstrates that even a single seat can influence policy outcomes. For example, Fiva, Folke and Sørensen (2018) show that marginal changes in council composition in Norway affect property taxes and childcare spending (see also Folke 2014). A marginal seat may shift control over key appointments, including the mayoralty and committee chairs, and affect representation on committees such as planning committees that approve social housing permits (Hjorth, Nyrup and Larsen 2024). Our design allows us to estimate how Social Democratic influence on the council translates into social housing policy—and whether this dynamic weakens over time as the electoral coalition underpinning social housing erodes.

We identify this marginal-seat effect by comparing social housing permits in municipalities where the Social Democrats narrowly won or lost such a seat. Danish municipal elections allocate seats using the d'Hondt proportional divisor method, and parties may form electoral coalitions. This complicates the construction of the forcing variable. We follow the approach introduced by Luechinger, Schelker and Schmid (2024) and adapted to Denmark by Hjorth, Nyrup and Larsen (2024), calculating (1) how many additional votes the Social Democrats would have needed to gain an additional seat and (2) how many votes they could have lost before losing a seat. The former values are negative, the latter positive. The forcing variable is the value with the smallest absolute magnitude, normalized by the total municipal vote count. Further details are provided in Appendix Section E.

The core identifying assumption in an RD design is that potential outcomes are continuous around the threshold. This assumption would be violated if parties could strategically position themselves near the cutoff. However, such behavior is highly unlikely: the exact threshold for gaining a seat in a proportional system depends on the vote totals of all parties and varies across elections, making it nearly impossible for parties or voters to manipulate it. Consistent with this, Figure 5 shows no evidence of sorting around the threshold. A McCrary test fails to reject continuity ($p > 0.4$).

A related concern is that close-election RD designs may produce biased estimates when comparing winners and losers of different types of candidates (e.g., gender or ethnicity), as conditioning on close elections can induce post-treatment bias (Marshall 2024). Such concerns are less

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Figure 5: Distribution of the Forcing Variable

Notes: Density of the forcing variable used to assign the marginal seat to the Social Democrats.

relevant here because we examine marginal seats for a specific party under proportional representation. Close elections can involve Social Democratic parties of varying competence, ideology, or local strength, depending on the seat in question (e.g., the 2nd versus the 8th seat in a 15-seat council). Because all types of Social Democratic parties may fall near the cutoff, it is unlikely that party characteristics correlated with housing provision systematically shape the likelihood of facing a close election. In other words, no "compensating differentials" (Marshall 2024) appear to be at work, and we believe our RD design identifies the causal effect of Social Democrats winning a marginal seat on social housing permits.

A final question is which party typically loses the marginal seat when the Social Democrats win? Most often, it is either a local, non-aligned party or a right-wing party. Our RD estimates indicate that gaining an additional seat increases the total number of left-wing seats by 0.87 on average, implying that in roughly nine out of ten cases, the marginal seat comes from a non-left party. This reflects the Social Democrats' dominance within the local left, as smaller left-wing parties typically win only one seat for every six won by the Social Democrats.

Following best practices (Skovron and Titiunik 2015), we estimate the causal effect of an additional Social Democratic seat on social housing permits using local polynomial point estimation with a CCT optimal bandwidth and a triangular kernel.

6.2 Results

We begin our analysis by examining the effect of the Social Democrats winning an additional (marginal) seat in the city council on the amount of social housing permitted in the subsequent election period. To facilitate efficient comparisons across municipalities, we focus on the yearly number of square meters permitted per 1,000 residents. On average, municipalities permit approximately 80 square meters of social housing per 1,000 residents, with a standard deviation of 70. Full descriptive statistics can be found in Appendix Section A.

Table 4 shows that a marginal seat on the city council for the Social Democrats leads to an increase of 20 square meters of social housing permitted per 1,000 residents. This effect is both statistically significant, as confirmed by using robust inference (Skovron and Titiunik 2015), and substantively meaningful. On average, municipalities permit 78 square meters per 1,000 residents each year. For the average municipality, an increase of 20 square meters corresponds to a 25% increase in the amount of social housing permitted. Figure 6 displays this effect using a regression discontinuity plot using data across all elections.

These results underscore that even a single seat can meaningfully shift local power dynamics. As we show in Appendix Section F, winning one more seat significantly increases the Social

Table 4: Effect of a Marginal Social Democratic Seat on Social Housing Permits

	Social Housing Permits (in sqm)		
	(1) Pooled	(2) Before '95	(3) After '95
SD Wins Marginal Seat	20.61*	46.45**	-14.26
	(10.46)	(14.26)	(9.642)
MSE Optimal Bandwidth	0.01	0.01	0.01
Mean (DV)	78.45	93.25	61.10
Effective Observations	718	340	422
Total Observations	2017	1092	925

Notes: Local linear regressions within the CCT MSE optimal bandwidth and a triangular kernel. Standard errors in parentheses. * p<0.05, ** p<0.01.

Figure 6: RD Plot of Effect of a Marginal Social Democratic Seat on Social Housing Permits
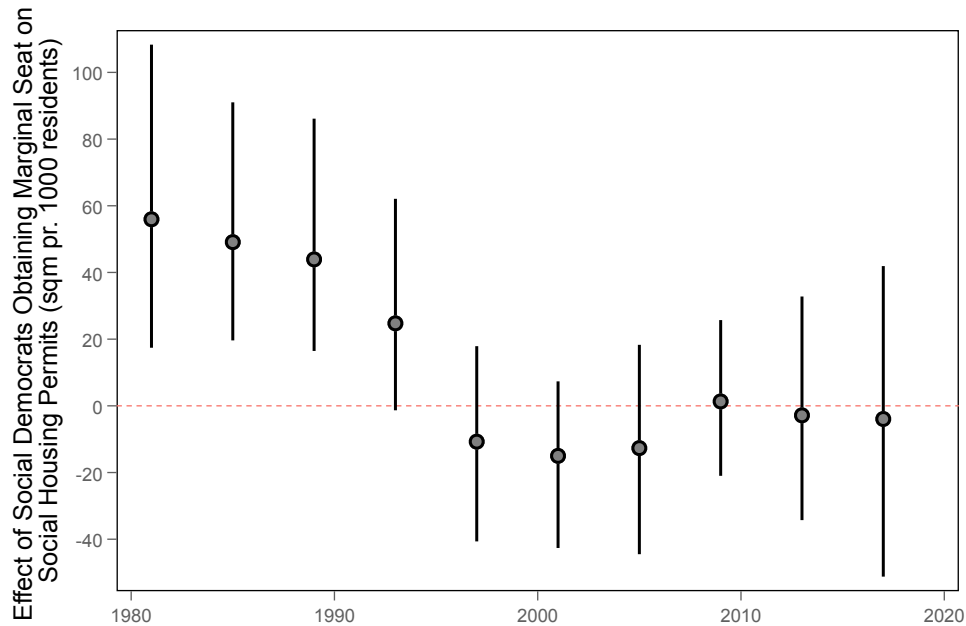

Notes: Permits measured in sqm/1000 residents. Regression discontinuity plot of social housing permits. Local-linear and second-degree polynomial fits within MSE optimal bandwidth and 95% confidence intervals.

Democrats' legislative influence (measured by the Shapley-Shubik index) and raises their chances of chairing a committee or securing the mayoralty by over 15 percentage points. As one might expect, the effect of an additional seat is strongest when the party holds around one-third of council seats, a range where a marginal gain often turns the party from an ignorable minority into a necessary coalition partner.

How does this effect change over time? To answer this question, we construct a pooled sample of three elections that includes for any given election in year t the preceding $(t-1)$ and following election $(t+1)$. We pool three elections to obtain a sufficiently large sample of observations to efficiently estimate the effect of the Social Democrats obtaining a marginal seat on housing permits. Figure 7 presents these rolling effect estimates. Increased Social Democratic representation on city councils strongly influenced social housing permits throughout the 1980s, but this effect declined in the 1990s and disappeared entirely by the mid-/late 1990s. During the earlier periods, municipalities where the Social Democrats won an additional seat permitted approximately 50 square meters of social housing per 1,000 residents. By contrast, this effect fell to zero in the later periods.

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Figure 7: Dynamic Effects of a Marginal Social Democratic Seat on Social Housing Permits

Notes: Permits measured in sqm/1000 residents. Estimates from RD models with 95% confidence intervals.

City councils with greater Social Democratic representation are no longer more likely to expand social housing. This pattern is consistent with a weakening of the electoral incentives that once linked Social Democratic political influence to social housing provision.

To better understand this shift, we split the data into pre- and post-1995 election periods in subsequent analyses. It reflects a key turning point when the impact of Social Democratic representation on the city council began to vanish (see Figure 7). This division also splits the data halfway and balances the sample sizes across periods. This timing closely aligns with the period in which the electoral returns to expanding social housing decline and the socio-economic profile of social housing residents diverges most sharply from that of Social Democratic voters. Columns 2–3 in Table 4 present RD estimates for the periods before and after 1995. Before 1995, the effect of a marginal Social Democratic seat was substantial, increasing permitted social housing by 46 square meters per 1,000 residents. After 1995, however, the effect became negative and statistically insignificant (a marginal decline of 14 square meters per 1,000 residents). These results clearly show that the effect of Social Democratic representation on the provision of social housing has disappeared over time. Appendix G shows that we obtain similar results when splitting the period into three broader time intervals.

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We conduct a series of robustness checks to confirm the overall credibility of our results. First, we assess the sensitivity of the effect sizes to varying bandwidths around the cut-off in Appendix Section H. While the estimated effect size decreases at higher bandwidths, as expected, the effect for the earlier period (before 1995) remains positive, confirming the robustness of the finding during that period. In contrast, the effect in the later period (after 1995) is consistently zero and precisely estimated across all bandwidths. Second, we conduct placebo tests using cut-offs above and below the actual electoral threshold in Appendix Section I. These tests reveal no evidence of discontinuity in permits at any placebo cut-off; the discontinuity is exclusively observed at the true cut-off, supporting the validity of our design. Finally, we examine pre-treatment variables to ensure the absence of pre-existing discontinuities that might confound our results. We find no evidence of discontinuity in prior permitting behavior, economic conditions, or fiscal policies. These balance tests, presented in Appendix Section J, provide further reassurance that our findings are not driven by underlying differences between municipalities just above and below the threshold. We find an imbalance in the size of the municipality, but as discussed in Appendix Section J, this cannot account for the estimated effects.

6.3 Alternative Explanations

The preceding analyses show that the political foundations of social housing provision have shifted over time. While Social Democratic political influence once translated into substantially higher levels of social housing construction, this partisan effect eroded and ultimately disappeared. We interpret this pattern as reflecting changes in the electoral incentives facing the Social Democrats, driven by the transformation of social housing from a broadly supported, cross-class program into one serving a more economically marginalized population, alongside parallel changes in the party's broader electorate.

In this section, we consider several alternative explanations for the weakening of partisan incentives to expand social housing. Alternative accounts must explain not only why Social Democratic representation was associated with greater social housing construction in earlier decades, but also why this relationship later vanished, even as the party continued to hold political power in many municipalities.

Table 5: Effect of a Marginal Social Democratic Seat on Market Rate Housing and Public Work Permits

	Market Rate Housing Permits			Public Work Permits		
	(1) Pooled	(2) Before '95	(3) After '95	(4) Pooled	(5) Before '95	(6) After '95
SD Wins Marginal Seat	-77.83	-109.0	-50.09	21.24*	20.38	15.11
	(66.10)	(85.35)	(93.77)	(10.41)	(14.74)	(14.26)
MSE Optimal Bandwidth	0.02	0.02	0.02	0.01	0.01	0.01
Mean (DV)	656.71	570.55	757.76	79.14	73.49	85.76
Effective Observations	1243	704	611	708	390	280
Total Observations	2017	1092	925	2017	1092	925

Notes: Permits measured in sqm/1000 residents. Local linear regressions within the CCT MSE optimal bandwidth and a triangular kernel. Standard errors in parentheses. * $p<0.05$, ** $p<0.01$.

Shifts toward Market-Rate Housing

One explanation of our findings is that the decline in social housing permits reflects a broader shift toward more market-rate housing. For example, it could be the case that left-wing parties simply permit more housing of any type (de Benedictis-Kessner, Jones and Warshaw 2024). To test this explanation, we estimate the effect of the Social Democrats obtaining an additional seat on the city council on market-rate housing permits. The results in columns 1–3 in Table 5 show that there is no, or even a slightly negative, partisan effect on market-rate housing, suggesting that, if anything, Social Democrats may substitute market-rate housing for social housing. However, the effect for market-rate housing is not estimated precisely enough to conclude that this is the case.[5] We find no change over time in the effect of increased Social Democratic representation on market-rate housing provision.

Shifts in Party Ideology

Another explanation is that the observed patterns reflect a broader ideological shift toward centrist policy positions and a retreat from public service provision, as exemplified by so-called Third Way politics (Giddens 1999). To assess this possibility, we test whether increased Social Democratic representation on the city council affects *non-housing* public construction projects during this period.

[5]This partly reflects the much greater variability of market-rate permits, which have a mean of 656 sqm/1000 residents and a standard deviation of 428—order of magnitudes higher than social housing permits.

These permits provide a useful test of this alternative explanation because, like social housing, they are measured through the municipal permitting process rather than through spending data, which may obscure the extent of reliance on public-private partnerships. If the weakening of partisan effects reflects a general ideological retreat from public provision, we should observe a similar temporal pattern across other publicly-owned infrastructure. However, as columns 4–6 in Table 5 show, there is no evidence of such a shift. Social Democratic control of the marginal city council seat consistently increases public works permits throughout the period (col. 4). Thus, overall shifts in government ideology, as reflected in public works permits, do not appear to drive our main results.

It is also possible that ideological commitments to affordable housing have remained stable but the policy mix may have shifted away from direct social housing provision towards other types of assistance. Denmark has a long-standing tradition of rent regulation and subsidies for low-income renters. However, these programs have not expanded, even as social housing construction has declined. Rental subsidies have largely remained unchanged, and rent control in the private sector has, in fact, been loosened (Andersen and Fridberg 2006).

Finally, changes in social housing provision could reflect growing anti-immigration attitudes, given the increasing share of immigrants in social housing and the rise of far-right parties (Cavaille and Ferwerda 2022; Dancygier 2010). Appendix Figure K.1, drawing on data from the Comparative Manifesto Project (Volkens et al. 2020), shows that welfare issues have become more, not less, salient in Social Democratic party platforms over time. References to cultural and immigration-related issues have increased, but remain far below those of far-right parties and largely track shifts among mainstream conservative and liberal parties. Moreover, the Social Democrats' rightward shift on immigration occurred primarily in the 2010s, well after the partisan effect on social housing provision had already disappeared in the mid-1990s. Taken together, these patterns suggest that while immigration has become more salient in Danish politics, it did not crowd out welfare priorities within the Social Democratic platform and cannot account for the timing of the decline in the party's propensity to expand social housing.

Fiscal Constraints

A third explanation for our results is that growing fiscal pressures made it financially difficult to build more social housing—even for city councils controlled by Social Democrats. Social housing financing, however, relies on state-guaranteed loans for social housing associations, making social housing construction less fiscally burdensome. Still, municipalities indirectly forego revenues by building more social housing. Property tax revenues from social housing are lower because this type of housing is typically less expensive than market-rate housing. Residents of social housing pay less in local income taxes than other groups (on social housing residents' socio-economic status, see Section 4). As a result, social housing may be a luxury good that only well-off municipalities can afford. While fiscal constraints plausibly condition the capacity to build social housing, they cannot explain why the partisan effect of Social Democratic representation disappears precisely during a period of improving municipal finances.

Even so, we examine the importance of fiscal constraints by dividing municipalities into two groups based on their local unemployment rates. High unemployment is a good proxy for fiscal constraints because it reduces municipal revenues and increases spending on unemployment assistance and insurance.[6] We categorize municipalities into low and high unemployment based on an annual median split and conduct separate RD analyses for both groups.

The results in Table 6 suggest that fiscal constraints do play an important role, as the effect of increased Social Democratic representation in the city council on social housing permits is largely concentrated in areas with relatively low levels of unemployment. Importantly, however, we find no differential effect of stronger Social Democratic representation in municipalities with either weak or strong fiscal constraints *after* 1995. Nor can the absence of an effect be attributed to systematically higher fiscal constraints in Danish municipalities during the late 1990s and 2000s. On the contrary, this period was marked by a dramatic decline in unemployment rates, which fell from over 10% to below 5%. Even during and after the Great Recession of 2008–2012, the unemployment rate remained significantly lower than at any point before 1995.

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[6]Municipalities are compensated for unemployment assistance and loss of income tax revenue through intergovernmental transfers. But the compensation is only partial, leaving steep fiscal costs from high unemployment.

Table 6: Effect of a Marginal Social Democratic Seat on Social Housing Permits, by Fiscal Constraints

| | Social Housing Permits (sqm) | | | | | |
| | High Unemployment | | | Low Unemployment | | |
	(1) Pooled	(2) Before '95	(3) After '95	(4) Pooled	(5) Before '95	(6) After '95
SD Wins Marginal Seat	-12.09	0.425	-20.11	39.20**	60.55**	5.799
	(12.54)	(21.72)	(12.67)	(13.93)	(16.72)	(16.61)
MSE Optimal Bandwidth	0.02	0.02	0.02	0.01	0.01	0.01
Mean (DV)	66.45	80.01	55.03	87.60	100.90	67.42
Effective Observations	416	165	228	447	236	170
Total Observations	870	400	470	1147	692	455

Notes: Effect of a marginal social democratic seat on social housing permits in municipalities with high unemployment (cols. 1–3) and low unemployment (cols. 4–6) based on a median split. Local linear regressions within the CCT MSE optimal bandwidth and a triangular kernel. Standard errors in parentheses. * p<0.05, ** p<0.01.

Changes in the Political Importance of an Additional Council Seat

Our study estimates the effect of Social Democratic influence by focusing on marginal council seats. One concern is that the importance of the marginal council seat may have declined over time—if, for example, right-wing parties increasingly dominate councils, making an extra Social Democratic seat less consequential. In that case, the declining effect on social housing permits could reflect a reduced overall political influence of the Social Democrats rather than a strategic shift in their priorities.

To assess this, we examine trends in Social Democratic power using three measures: (1) their seat share; (2) the combined left-wing seat share; and (3) their Shapley-Shubik power index. Appendix Section L shows that none of these measures indicates systematic declines over time. If anything, the marginal seat's effect on the Shapley-Shubik power index increases, suggesting that the marginal council seat becomes more, rather than less, politically consequential over time.

7 Conclusion

In this paper, we argued that social housing is politically durable when it is sustained by broad, cross-class coalitions that overlap with major parties' electorates. However, when social housing residents become an economically-marginalized group, the coalition that once sustained public

housing and the electoral incentives of the parties historically responsible for its expansion erode.

We examined this argument in the Danish context. We first documented a long-run transformation in the socio-economic composition of social housing residents—from a relatively economically mixed population to one that has become increasingly marginalized. We then showed that precincts with high shares of social housing experienced declining turnout and, more sharply, declining support for the Social Democrats between 1979 and 2019, particularly in areas where social housing residents were most economically disadvantaged. Consistent with this shift, we demonstrated that the electoral returns to expanding social housing weakened over time, as municipalities that permitted more social housing were no longer rewarded with higher Social Democratic vote shares. Together, these patterns show how compositional change can weaken the electoral environment surrounding social housing. Finally, we investigated whether these shifts were mirrored in parties' social housing policies. We showed that social housing permits increased when the Social Democrats gained an additional seat on the city council in the 1980s and early 1990s. This partisan effect disappeared in the mid-1990s. Importantly, we found no corresponding partisan differences for private housing construction or public works permits, suggesting that the decline reflects a change in the incentives attached to social housing specifically rather than a general retreat from public provision.

Together, these findings underscore the political importance of the class composition of welfare programs' constituencies. As social housing increasingly comprises a more economically-marginalized population, its electoral value for the Social Democrats diminished. This erosion of electoral returns weakened the party's incentives to expand social housing, even in the absence of major fiscal pressures or abrupt ideological shifts

We believe these dynamics extend beyond Denmark. The central implication is that the political sustainability of social housing depends on the breadth of its beneficiary constituency. Where social housing remains socially mixed and widely used, it may be easier to maintain durable support; where it becomes residualized and concentrated among economically disadvantaged groups, political incentives to expand it may weaken. Vienna may be a case of the former. Here, municipal housing accounts for about 25% of all residential dwellings. Unlike other cities, however, social housing in Vienna targets low- *and* middle-income individuals while promoting social mixing rather than residential segregation (Premrov and Schnetzer 2023). Such socio-economic

and spatial integration may sustain broader political support for social housing and attenuate the dynamics we document in Denmark. Testing these scope conditions comparatively is a promising direction for future research, with direct relevance for understanding the politics of housing affordability in rich democracies.

One might expect that, to the extent that social housing residents remain a sizable constituency, new political champions would have emerged to advocate for its expansion. However, this assertion likely underestimates the historical contingency involved in forging durable links between parties and specific public policies. The Social Democrats' historical role in promoting social housing was not merely a response to voter demand but the result of decades of institutional and ideological co-development (Esping-Andersen 1978). Contemporary right-wing populist parties, for example, appeal to segments of the working class that could benefit from social housing, yet are unlikely to promote it. The large immigrant presence in social housing makes it politically unpalatable, as these parties often frame public services benefiting immigrants as undesirable. Instead, such parties may pursue alternative housing policies that better align with their broader electoral strategies, as illustrated by Hungary's Fidesz party, which promotes heavily subsidized homeownership and ties housing policy to a broader natalist and nativist agenda (Kováts 2024).

More generally, our results highlight how changes in the composition of beneficiary groups can help explain shifting partisan priorities over time. When the social profile of welfare programs' beneficiaries diverges from a party's electoral base, the political support needed to sustain broadly-valued programs can erode. Understanding these coalition dynamics is essential for explaining the long-run politics of housing—and the capacity of left-wing parties to address inequality.

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8 References

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Supplementary Information (Online Only)

A Overview of Data Sources and Descriptive Statistics

Table A.1: Data Overview

Dataset	Coverage	Unit of Analysis	Units	Source
Housing Permits	1982-2020	Municipality	273	Statistics Denmark (BYGV)
City Council Elections	1983-2017	Municipality	273	Nyrup, Hjorth, and Larsen (2024)
Full Population Registry Data	1988-2018	Individual	4-4.2mln	Statistics Denmark (BEF, BOL, BBR)
Election Returns	1987-2019	Electoral Precinct	1,471	The Danish Electoral Database
Election Surveys	1983-2021	Individual	39,861	Danish National Election Study

Table A.2: Descriptive Statistics: Full Population Registry Data

	Mean	SD	Min	Max	N
Above Median Income	0.42	0.21	0.15	0.64	62
Average Income (thousands DKK)	201.09	47.81	145.81	304.92	62
High School Graduate	0.19	0.06	0.09	0.31	62
College Graduate	0.04	0.02	0.01	0.08	62
Immigrant	0.09	0.06	0.02	0.21	62
Descendant of Immigrants	0.03	0.03	0.00	0.10	62
Observations	62				

Notes: Averaged across years and whether the individual resides in market-rate or social housing.

Table A.3: Descriptive Statistics: Danish National Election Survey

	Mean	SD	Min	Max	N
Above Median Income	0.45	0.05	0.35	0.50	8
High School Graduate	0.30	0.15	0.08	0.54	8
College Graduate	0.11	0.09	0.02	0.28	8
Observations	8				

Notes: Averaged across decade and whether respondent voted for the Social Democrats.

Table A.4: Descriptive Statistics: Precinct-level Data with Electoral Outcomes

	Mean	SD	Min	Max	N
Turnout (pct.)	85.70	3.65	59.10	100.00	22666
Support for Social Democrats (pct.)	28.64	8.62	2.42	66.45	22666
Social Housing dummy	0.27	0.45	0.00	1.00	9492
Baseline Social Housing Share	0.14	0.19	0.00	1.00	15722
Total Votes Cast	2081.70	1989.62	1.51	18183.00	22666
Collge Graduation Rate in Private Housing	0.10	0.06	0.00	0.41	10023
Household Income in Private Housing (M DKK)	0.23	0.04	0.11	0.67	10023
Home Prices (M DKK)	1.15	0.47	0.06	5.55	7706
Non-Western Migrant share	0.04	0.04	0.00	0.53	10033
Age of those in Private Housing	39.15	3.92	24.27	80.21	10023
Observations	22666				

Notes: Precinct-level averages constructed based on full population registry data and election outcomes calculated from election returns.

Table A.5: Descriptive Statistics: Municipal-level Data on Elections and Permits

	Mean	SD	Min	Max	N
Forcing Variable	0.00	0.02	-0.09	0.14	2017
Social Housing Permits (sqm)	7362.00	15498.49	0.00	214250.00	2023
Market Rate Housing Permits (sqm)	54189.32	77763.05	0.00	1217352.00	2023
Public Works Permits (sqm)	8114.82	15396.29	0.00	234049.00	2023
Population Size	86588.39	118842.34	66.00	1332990.00	2023
SD Seatshare	0.35	0.12	0.05	0.71	2017
Right-wing Parties Seatshare	10.97	3.37	3.00	27.00	2017
SD Chair	0.77	0.42	0.00	1.00	2017
SSI index for SD	0.35	0.28	0.00	1.00	2017
SD mayor	0.37	0.48	0.00	1.00	2023
Income Tax (pct.)	20.11	2.69	11.50	27.80	1970
Property Tax (per mille)	12.29	7.79	0.00	55.00	1921
Non-Western Immigrants	2.27	3.92	0.00	46.58	1981
Unemployment Rate	7.38	3.33	0.00	23.60	1702
Total Votes	12986.61	16973.67	1278.00	190322.00	2017
SD Votes	4379.43	6511.50	111.00	71595.00	2017
SD Voteshare	32.21	10.57	6.32	67.54	2017
Radical Right Voteshare	5.81	4.35	0.00	31.78	2017
Mainstream Right Voteshare	39.25	12.54	0.00	76.93	2017
Observations	2023				

Notes: Municipal-level dataset used to link election results and construction permits.

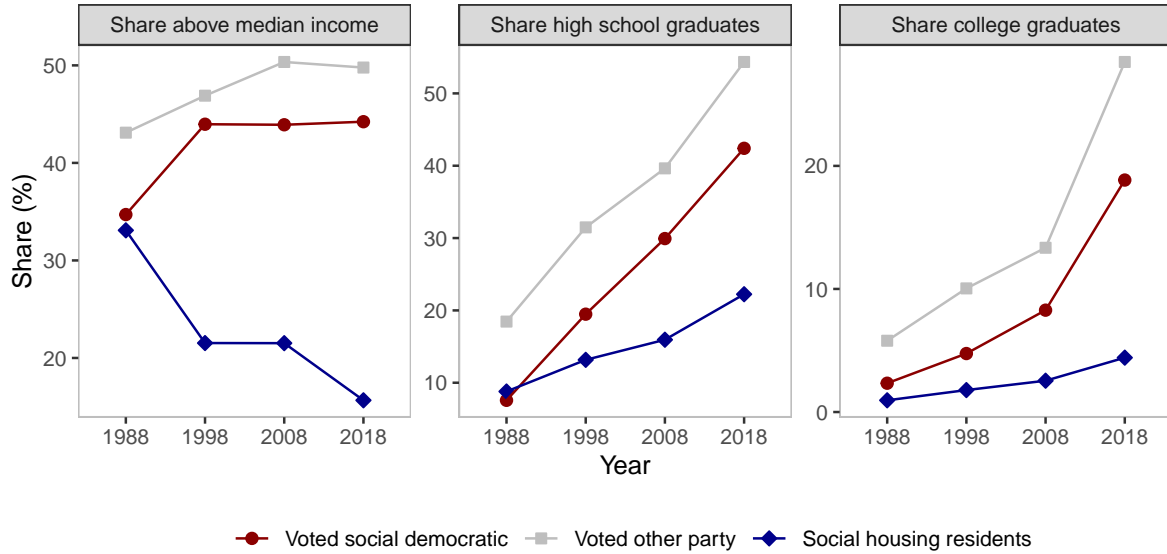# B Changing Socio-Demographics of Social Democratic Voters

To contextualize the socio-economic shifts documented among social housing residents, we examine how the profile of Social Democratic voters has evolved over the same period. Our goal is to assess whether the party's electorate has changed in ways that parallel—or diverge from—the increasingly disadvantaged trajectory of social housing residents. If Social Democratic voters have grown more affluent and more educated while social housing residents have become more economically marginalized, this would underscore the widening distance between the party and a group historically central to its political coalition.

We construct socio-demographic profiles of Social Democratic voters using individual-level data from the Danish National Election Study (DNES), a nationally representative post-election survey with roughly 2,000 respondents per wave. Each wave includes between 300 and 700 self-identified Social Democratic voters, depending on the party's electoral performance. For comparability with our administrative analyses, we rely on DNES waves from the 1987–2019 elections. To ensure sufficient observations within each period, we pool adjacent waves and report period averages: 1987–1988 (late 1980s), 1994–1997–2001 (late 1990s/early 2000s), 2007–2011 (late 2000s), and 2015–2019 (late 2010s).

Although the DNES does not include the full set of socio-economic variables available in our registry data, two indicators—income and education—are measured consistently enough to allow meaningful comparison. For income, we rely on self-reported household income (which is not directly comparable to the equivalized disposable income used in the registry analyses). In the main text, we therefore compare income *levels* only between social housing and market-rate residents in the administrative data, where the income concept is identical. In the survey data, by contrast, we focus on whether respondents have income above the national median, which is less sensitive to differences in income measurement and still informative about the relative economic position of Social Democratic voters.

Figure B.1 compares trends for three groups: Social Democratic voters, voters for other parties, and social housing residents (based on registry data). Three patterns emerge clearly. First, at the beginning of the period, Social Democratic voters resemble social housing residents more closely than they resemble voters for other parties: both groups are less affluent and less educated. Second, unlike social housing residents, Social Democratic voters keep pace with the socio-economic advancement of the broader electorate. Their share with above-median income rises steadily, as

Figure B.1: Socio-Economic Characteristics of Voters and Social Housing Residents

Notes: Values for Social Democratic voters and voters for other parties come from the Danish National Election Study (DNES), based on post-election surveys from 1987 to 2019. Values for social housing residents are drawn from full-population registry data. Above median income is defined relative to the full sample of survey respondents. Education indicators reflect the share of individuals completing high school or college. Social housing residents become increasingly socio-economically disadvantaged over time, whereas Social Democratic voters broadly track the upward income and education trends of other voters.

does their educational attainment, tracking national trends. Third, social housing residents move in the opposite direction. Their relative income position deteriorates, and their educational gains are modest. Across all three indicators, the gap between social housing residents and Social Democratic voters widens substantially over time.

Taken together, these trends point to a growing socio-economic divide between the Social Democratic electorate and residents of social housing. While voters for the party have become more affluent and more educated—much like the electorate as a whole—social housing residents have experienced declining economic standing and comparatively limited educational mobility. This divergence strengthens the argument developed in the main text: the constituency that once tied the Social Democrats to social housing has eroded, reducing the party's incentives to support and expand the sector.

C Alternative Approach To Analyzing Precinct-level Data

Table C.1: Electoral Behavior and Changes in Social Housing and Private Housing Populations

	Turnout	SD Vote share	Turnout	SD Vote share
	(1)	(2)	(3)	(4)
Among social housing residents				
Share university educated	2.270	-3.627	2.215	-3.287
	(1.769)	(2.538)	(1.512)	(1.882)
Income	-0.044	1.023**	0.028	0.773**
	(0.264)	(0.394)	(0.186)	(0.276)
Share migrant	-1.028	-4.609**	-2.360**	-5.195**
	(0.751)	(1.241)	(0.702)	(0.951)
Average age	0.009	-0.004	0.008	-0.014
	(0.006)	(0.010)	(0.006)	(0.009)
Among market-rate residents				
Share university-educated	16.138**	12.146*	8.614**	11.652**
	(3.286)	(4.794)	(2.458)	(3.461)
Income	0.635	2.927**	0.237	2.322**
	(0.412)	(0.798)	(0.354)	(0.622)
Share migrant	15.153**	12.094	10.718**	8.886
	(4.459)	(7.962)	(4.025)	(5.862)
Average age	0.041	0.377**	0.076**	0.294**
	(0.025)	(0.051)	(0.028)	(0.047)
Mean (DV)	84.62	30.83	84.62	30.83
Year FE	✓	✓	✓	✓
Precinct FE	✓	✓	✓	✓
Municipality-specific time trends		✓		✓
Adjusted R^2	0.85	0.91	0.87	0.93
Observations	10023	10023	10023	10023

Notes: Precinct-clustered standard errors in parentheses. * $p<0.05$, ** $p<0.01$.

D   Electoral Rewards to Building Social Housing

To assess whether electoral rewards might have shifted to other parties, we examine the effect of new social housing on vote shares for radical-right (Danish People's Party and the Progress Party) and mainstream-right parties (Liberals and Conservatives). The results in Appendix Table D.1 show no systematic relationship between social housing permits and support for these parties, either, suggesting that other parties are not electorally rewarded.

   As a final placebo check, we also include permits issued *after* the next election as an independent variable. Appendix Table D.2 shows that there is no relationship between future permits and Social Democratic support, suggesting that the observed effect of social housing on vote shares is not driven by preexisting electoral trends in municipalities that are more likely to build social housing.

Table D.1: Effect of Social Housing Permits on Support for Right Wing Parties

	Support for Radical Right			Support for Mainstream Right		
	(1) Pooled	(2) Before '95	(3) After '95	(4) Pooled	(5) Before '95	(6) After '95
Social Housing Permitted	-0.089	0.061	0.075	-0.156	0.000	0.324
	(0.187)	(0.248)	(0.286)	(0.309)	(0.438)	(0.688)
Market Rate Housing Permitted	-0.000	-0.000	-0.001	0.002*	0.006*	-0.001
	(0.000)	(0.001)	(0.001)	(0.001)	(0.003)	(0.001)
Income Tax	0.384*	0.474*	0.664	-0.225	-0.349	-0.389
	(0.158)	(0.226)	(0.417)	(0.356)	(0.476)	(0.877)
Property Tax	-0.014	0.056	0.005	-0.051	0.058	0.120
	(0.046)	(0.079)	(0.070)	(0.097)	(0.142)	(0.195)
Unemployment Rate	0.038	0.151	-0.500*	-0.228	-0.082	-0.153
	(0.145)	(0.139)	(0.243)	(0.271)	(0.359)	(0.654)
Share Non-Western Immigrants	0.401**	0.538	0.037	-0.356	-0.192	-0.150
	(0.084)	(0.280)	(0.133)	(0.183)	(0.485)	(0.370)
Population (log)	1.176	7.209	-0.135	0.379	19.051	-1.498
	(1.829)	(8.039)	(2.000)	(3.549)	(17.770)	(5.034)
Population growth	0.158*	-0.116	0.133	-0.022	0.429	-0.315
	(0.063)	(0.099)	(0.098)	(0.138)	(0.262)	(0.272)
Mean (DV)	5.48	4.38	6.58	39.76	39.33	40.18
Adjusted R^2	0.58	0.68	0.71	0.79	0.84	0.84
Observations	1648	819	829	1648	819	829
Municipality FE	✓	✓	✓	✓	✓	✓
Year FE	✓	✓	✓	✓	✓	✓

Notes: Municipality-clustered standard errors in parentheses. * p<0.05, ** p<0.01.

Table D.2: Effect of Social Housing Permits on Support for Social Democrats

	Support for Social Democrats		
	(1) Pooled	(2) Before '95	(3) After '95
Social Housing Permitted	1.051**	1.338**	0.249
	(0.289)	(0.384)	(0.712)
SH Permitted next 4 yrs (placebo)	0.003	0.007	0.002
	(0.003)	(0.004)	(0.006)
Market Rate Housing Permitted	0.000	0.002	-0.000
	(0.001)	(0.001)	(0.001)
Income Tax	0.122	0.244	-0.154
	(0.312)	(0.382)	(0.799)
Property Tax	0.003	-0.016	0.100
	(0.095)	(0.135)	(0.193)
Unemployment Rate	-0.025	-0.412	0.201
	(0.216)	(0.326)	(0.476)
Share Non-Western Immigrants	-0.076	0.522	-0.196
	(0.125)	(0.611)	(0.268)
Population (log)	-0.748	-11.587	-1.836
	(2.882)	(18.468)	(4.459)
Population growth	-0.111	-0.224	-0.053
	(0.119)	(0.228)	(0.153)
Mean (DV)	32.34	33.62	31.09
Adjusted R^2	0.78	0.84	0.80
Observations	1648	819	829
Municipality FE	✓	✓	✓
Year FE	✓	✓	✓

Notes: The placebo future social housing permits are measured as permits in the four years *after* the election. Municipality-clustered standard errors in parentheses. * $p<0.05$, ** $p<0.01$.

E   Constructing the Forcing Variable

Each local election involves P parties, which are grouped into J electoral coalitions. Each party p receives V_p votes and belongs to an electoral coalition j, which may consist of one or more parties. The support for each electoral coalition is defined as $V_i = \sum_p^n V_p$, where n represents the number of parties in coalition i. These parties compete for k seats in the city council.

In proportional divisor systems, seats are allocated by computing a series of quotients Q, which divide the total votes of a party or coalition by a set of divisors. In Denmark, these divisors are $j = 1, 2, \ldots, k, k + 1$. We define $k + 1$ quotients Q for each coalition i in the municipality. Seats are assigned sequentially to the coalitions based on these quotients. The coalition with the highest initial quotient Q_{i1} gets the first seat, the one with the highest second quotient Q_{i2} gets the second seat, and so on until the coalition with the highest kth quotient Q_{ik} secures the final seat. We denote s_{ij} as the seats an alliance has at the jth quotient. The quotients are defined as $Q_{ij} = \frac{V_i}{s_{ij-1}+1}$. The first quotient is simply the votes for each coalition, as all coalitions start with zero seats. The seats are then distributed among the parties p within each electoral coalition similarly. Here, we use analogous notation to define a set of quotients for each party Q_{pj} with $j = 1, 2, \ldots, k, k + 1$, but now k indicates the number of seats assigned to the electoral coalition. Finally, for each party p and coalition i, we denote an alliance or party d and e. Party or alliance d is the one assigned the final seat that party p or coalition i did not get. Party or alliance e is the one that would have received a seat if there were $k + 1$ seats to allocate and party p or coalition i could not get this seat.

We can use this notation to define the distance in votes each electoral coalition and party is from winning and losing their marginal seat in the city council. Specifically, we define $WD_i = Q_{d1}(s_{ik} + 1)/(s_{dk}) - Q_{i1}$ as the distance coalition i is from gaining a marginal seat. Here, Q_{d1} is the vote share of coalition d, s_{ik} is the total seats assigned to coalition i, s_{dk} is the seat assigned to coalition d, and Q_{i1} is the vote total for coalition i. $LD_i = Q_{i1} - Q_{e1}(s_{ik})/(s_{ek} + 1)$ is the distance coalition i is from losing their marginal seat. Q_{e1} is the vote total for coalition e and s_{ek} is coalition e's total number of seats. By substituting the subscript i for p, we can similarly define WD_p and LD_p as the distance party p is from gaining or losing a marginal seat within their electoral coalition.

Having identified these distances, we can now derive the number of votes a party needs to gain an extra seat (WT_p) or to lose a seat (LT_p). If $WD_p < WD_i$, then the shortest distance to obtaining an additional seat is within the electoral coalition and $WT_p = WD_p$. If $WD_p > WD_i$, there might be a shorter distance to an extra seat from another coalition. To find out, we reallocate

seats within the coalition assuming that party p received $Q_{p1} + WD_i$ votes and that there is an extra seat to distribute. If party p gets the extra seat, then $WT_p = WD_i$. If not, we calculate the distance $WD_p|k+1$, which is the number of extra votes the party would need to obtain an extra seat in the coalition if the coalition had an extra seat to distribute. Most often, $WD_p|k+1 > WD_i$, but this is not always the case. If $WD_i|k+1 < WD_i$, then we calculate how many votes it would take for the coalition to get two extra seats: WXD_i. The general formula for WXD_i, where X is the number of seats won for the electoral coalition, can be written as $WXD_i = Q_{d1}(s_{ik}+1)/(s_{dk}-2X) - Q_{i1}$. Here, d is the party that won the $k-X$th seat if coalition i could not win it. For losses, it is $LXD_i = Q_{i1} - Q_{e1}(s_{ik})/(s_{ek}+1+X)$, where e is the coalition other than i that would have secured the $k+X$th seat. If $WD2_i > WD_p$ or $WD_p|k+2 > WD_p$, then $WT_p = WD_p$, but if not, we repeat this procedure until the party gains a seat or WD_p is smaller than the cost of obtaining the extra seats for and within the party's electoral coalition. We use a similar method to calculate the threshold at which each party p loses their marginal seat, LD_p.

Finally, we construct a forcing variable F for the Social Democrats SD as $F = min(LT_p, WT_p)$ when $p = SD$. This forcing variable returns one observation per municipal election. If the Social Democrats need fewer votes to get an additional seat than they need to lose a seat, then the forcing variable counts the number of votes needed to get an additional seat. If the Social Democrats need fewer votes to lose a seat than they need to win an additional seat, then the forcing variable counts the number of votes needed to lose a seat. To normalize the forcing variable, we divide it by the size of the electorate in the municipality.

F Effect of an Additional Seat on Local Legislative Power and Across-Seat Share

Table F.1: Effect of an Additional Seat on Various Measures of Legislative Power

	Social Housing Permits		
	(1) Chairman	(2) Mayor	(3) SSI
SD Wins Marginal Seat	0.163*	0.271**	0.158**
	(0.0676)	(0.0637)	(0.0340)
MSE Optimal Bandwidth	0.01	0.01	0.02
Mean (DV)	0.77	0.06	0.35
Effective Observations	773	802	909
Total Observations	2022	2022	2022

Notes: SSI is the Shapley-Shubik power index. Local linear regression within the CCT MSE optimal bandwidth and a triangular kernel. Standard errors in parentheses. * p<0.05, ** p<0.01.

Table F.2: Effect of an Additional Seat on Social Housing Permitted Across Share of Seats

	Social Housing Permits		
	(1) [0-0.28]	(2) [0.28-0.4]	(3) [0.4-1]
SD Wins Marginal Seat	19.13	31.80	-13.08
	(15.69)	(17.31)	(23.99)
MSE Optimal Bandwidth	0.01	0.01	0.02
Mean (DV)	70.53	79.83	84.97
Effective Observations	278	242	359
Total Observations	644	664	709

Notes: Local linear regression within the CCT MSE optimal bandwidth and a triangular kernel. Standard errors in parentheses. * p<0.05, ** p<0.01.

G Alternative Periodization of Effects

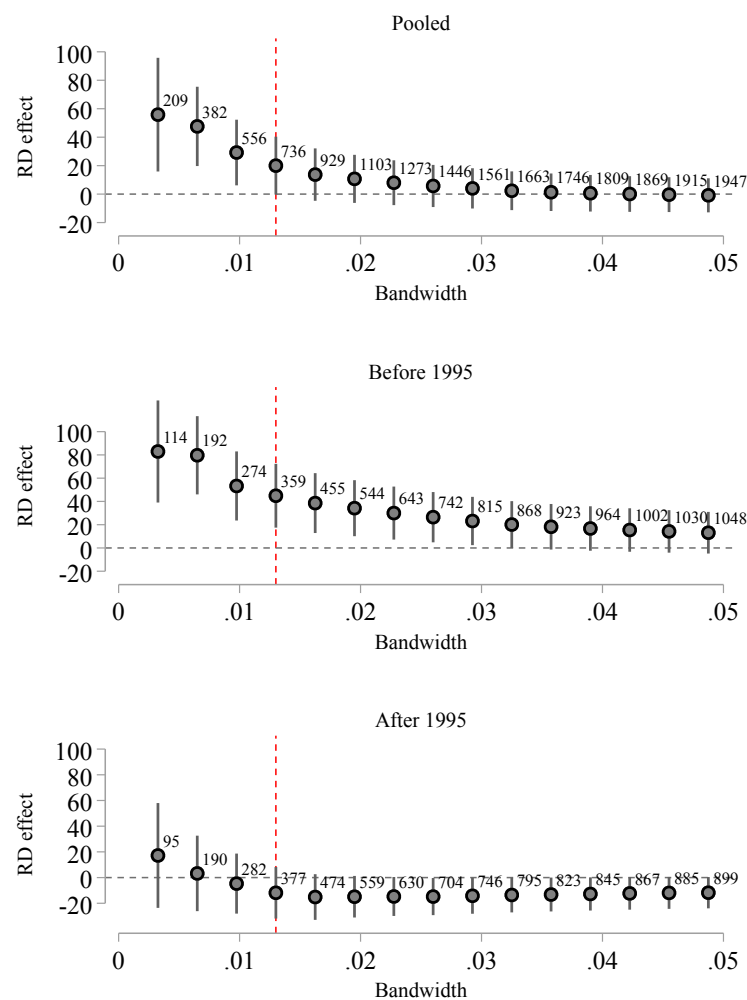Table G.1: Effect of a Marginal Social Democratic Seat on Social Housing Permits

	Social Housing Permits (in sqm)			
	(1)	(2)	(3)	(4)
	Pooled	1980's	1990's	After 2000
SD Wins Marginal Seat	20.61*	55.96**	24.75	-10.29
	(10.46)	(20.49)	(14.13)	(9.208)
MSE Optimal Bandwidth	0.01	0.02	0.01	0.01
Mean (DV)	78.45	118.70	65.67	60.96
Effective Observations	718	224	280	255
Total Observations	2017	546	819	652

Notes: Local linear regressions within the CCT MSE optimal bandwidth and a triangular kernel. Standard errors in parentheses. Election period '82-85 and 86-89' in first column. Periods '90-'93, '94-'97 and '98-01' in second column. Remaining terms in third column. * p<0.05, ** p<0.01.

H   Sensitivity to Bandwidth Selection

Figure H.1 illustrates the estimated effects across different bandwidths. The red vertical dashed line marks the MSE-optimal bandwidth. The confidence intervals (CIs) shown are 95% classical CIs, not the robust CIs, which are usually calculated for the MSE-optimal bandwidth. Generally, the estimated effects decrease as the bandwidth increases. Even so, the effects persist across all pre-1995 bandwidths, but their CIs do overlap with zero when we get above .04 (four times the MSE optimal bandwidth). It is encouraging that the effects remain statistically significant near the cut-off, and that the estimated effects are larger than those at the MSE-optimal bandwidth.
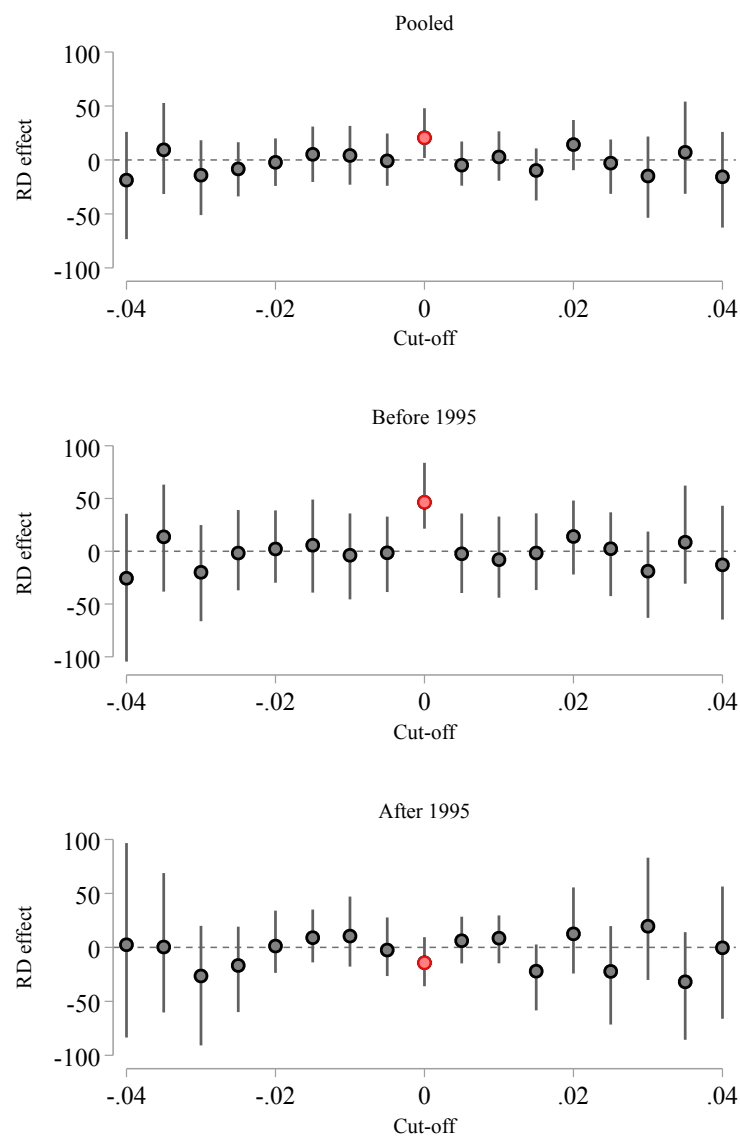
Figure H.1: Results at different Bandwidths

I Placebo Cut-offs

Figure I.1 displays the estimated effects at both the true cut-off (0), where an additional seat is assigned to the Social Democratic Party, and at placebo cut-offs. These estimates are shown for the pooled sample of elections, as well as for elections held before 1995 and after 1995. Placebo cut-offs were selected between -.04 and .04, corresponding approximately to the 5th and 95th percentiles of the running variable. We then selected placebos every 0.5 percentage-point between these two values.

Figure I.1: Results at Different Placebo Cut-offs

J Discontinuities in Predetermined Variables

In Table J.1, we estimate the effect of an additional seat for the Social Democratic Party on several predetermined variables, including the number of social housing permits granted in the previous election period, population size, the share of non-Western immigrants in the municipality, the unemployment rate, and income and property tax rates during the election year. These analyses are conducted for the pooled sample as well as for periods before and after 1995. This analysis serves as a validity check for the RD design, as significant differences in predetermined variables would indicate potential sorting or manipulation around the threshold, undermining the assumption of random assignment. As expected, most differences are close to zero and statistically insignificant, supporting the validity of the design. The one notable exception is population size, where municipalities with an additional Social Democratic seat were statistically significantly larger. To ensure that the differences in population size are not driving our results, we reproduce our main RD analyses with an additional control for population size in Table J.2. While the effect sizes become slightly smaller, the overall results remain consistent, with no substantial differences observed.

Table J.1: Effect of a Marginal Social Democratic Seat on Predetermined Variables

	Pooled	Before '95	After '95
Lagged Social Housing Permits	4.34	6.51	8.28
Standard Error	10.44	15.84	12.09
Robust p-value	0.72	0.86	0.45
MSE Optimal Bandwidth	0.02	0.02	0.01
Mean (DV)	78	104	61
Effective Observations	838	422	396
Total Observations	1704	819	885
Unemployment Rate	0.26	-0.07	0.48
Standard Error	0.44	0.57	0.42
Robust p-value	0.43	0.98	0.24
MSE Optimal Bandwidth	0.02	0.02	0.02
Mean (DV)	7	10	5
Effective Observations	807	349	461
Total Observations	1705	819	886
Population (log)	0.34	0.31	0.41
Standard Error	0.13	0.16	0.20
Robust p-value	0.01	0.04	0.05
MSE Optimal Bandwidth	0.01	0.01	0.01
Mean (DV)	11	11	11
Effective Observations	724	384	369
Total Observations	2017	1092	925
Income Tax Rate	0.12	0.56	0.40
Standard Error	0.44	0.28	0.47
Robust p-value	0.94	0.09	0.56
MSE Optimal Bandwidth	0.01	0.02	0.02
Mean (DV)	20	17	22
Effective Observations	725	630	554
Total Observations	1975	1092	883
Property Taxes	0.77	0.34	2.08
Standard Error	1.16	0.95	1.69
Robust p-value	0.73	0.73	0.30
MSE Optimal Bandwidth	0.01	0.02	0.02
Mean (DV)	13	9	18
Effective Observations	765	444	425
Total Observations	1926	1092	834
Share Non-Western Immigrants	0.58	-0.38	1.81
Standard Error	0.47	0.34	0.89
Robust p-value	0.27	0.27	0.06
MSE Optimal Bandwidth	0.02	0.02	0.01
Mean (DV)	3	1	4
Effective Observations	894	557	356
Total Observations	1981	1092	889

Notes: Local Linear Regression within the CCT MSE Optimal Bandwidth and a triangular kernel.
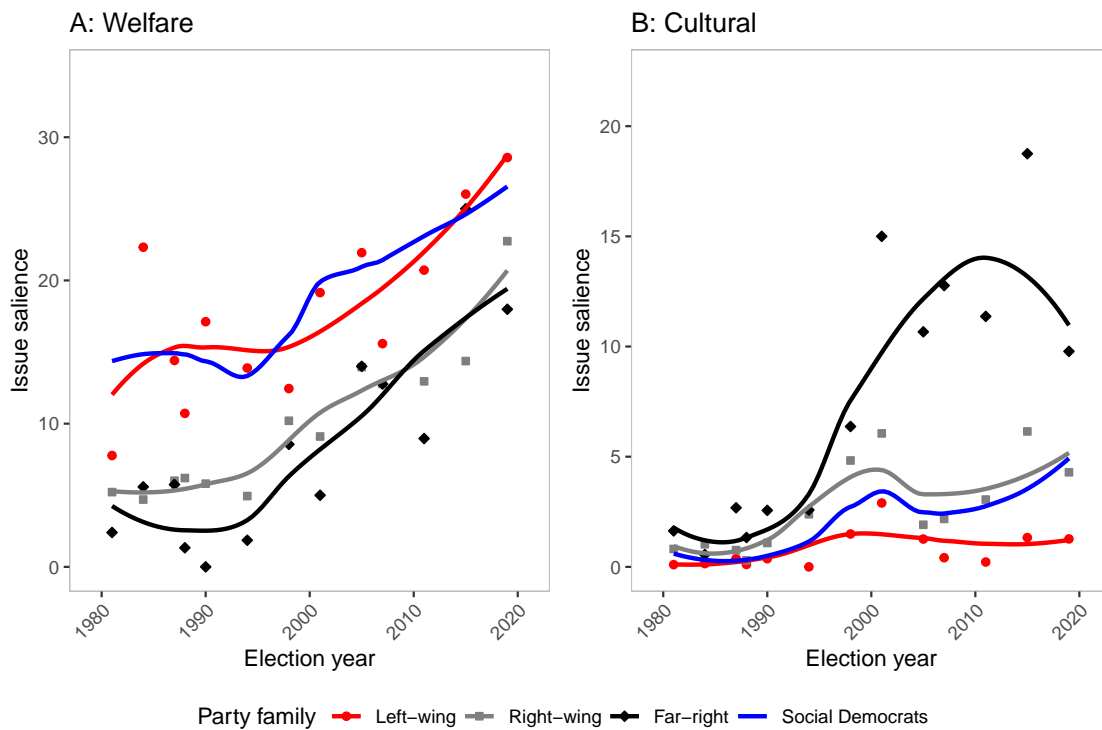
Table J.2: Effect of a Marginal Social Democratic Seat on Social Housing Permits; Controlling for Population Size

	Social housing permits in sqm		
	(1) Pooled	(2) Before '95	(3) After '95
SD Wins Marginal Seat	20.11	35.28**	-13.57
	(10.45)	(13.65)	(9.795)
Population	✓	✓	✓
MSE Optimal Bandwidth	0.01	0.01	0.01
Mean (DV)	78.45	93.25	61.10
Effective Observations	720	392	411
Total Observations	2017	1092	925

Notes: Marginal effect of a marginal Social Democratic seat on new square meters of social housing permitted (per 1,000 residents). Local Linear Regression within the CCT MSE Optimal Bandwidth and a triangular kernel. Standard errors in parentheses. * p<0.05, ** p<0.01.

K   Comparative Manifesto Data

Figure K.1: Issue Salience in Manifesto Data, By Party Family

Notes: The welfare dimension (panel [a]) is the "welfare" dimension coded in CMP. The cultural dimension (panel [b]) is the average of the following categories: per601 National Way of Life: Positive; per605 Law and Order: Positive; per608 Multiculturalism: Negative. Left-wing parties include: Alternativ, Common Course, Danish Communist Party, Left Socialist Party, Red-Green Unity List, and Socialist People's Party. Right-wing parties include: Center Democrats, Christian Democrats, Christian People's Party, Conservative People's Party, Danish Social-Liberal Party, Independents' Party, Liberal Alliance, Liberal Center, Liberals, and New Alliance. Far-right parties include: Danish People's Party and The New Right.

L   Changes in the Power of the Social Democrats in City Councils Over Time

To assess whether changes in the importance of a marginal Social Democratic seat could explain the declining effect on social housing, we examine trends in three measures of Social Democratic power in city councils.

The first measure is the *Social Democratic seat share*, which captures the proportion of seats held by the Social Democratic Party in each city council. The second measure is the *left-wing seat share*, which accounts for the broader left-wing coalition by including all left-leaning parties. The third measure is the *Shapley-Shubik power index* (Shapley and Shubik 1954), which quantifies the bargaining power of the Social Democrats in coalition negotiations by capturing their ability to influence majority formation. The index is derived from cooperative game theory and is computed by simulating all possible coalition formations and counting how often the Social Democrats hold a pivotal position, i.e., where their inclusion changes a coalition from non-majority to majority. It is formally defined as

$$\Phi_i = \sum_{S \subseteq N \setminus \{i\}} \frac{|S|!(n-|S|-1)!}{n!} \left[v(S \cup \{i\}) - v(S) \right], \tag{1}$$

where S represents a subset of parties, $v(S)$ is a function indicating whether S forms a majority, and n is the total number of parties. A decline in this index over time would indicate that the Social Democrats are increasingly being sidelined in legislative bargaining, making their marginal seat less impactful.

Figure L.1 presents trends in these three measures over time. None of them exhibit a systematic trend, suggesting that shifts in Social Democratic power in the city council cannot explain the declining effect of a marginal seat on social housing provision.

Consistent with this, Table L.1 presents the estimated effect of obtaining an additional seat on the Social Democrats' Shapley-Shubik index, illustrating how much legislative bargaining power they gain. The analysis shows that this effect is larger in later periods, suggesting that the Social Democrats derive more influence from a marginal seat over time. These results indicate that the disappearance of the partisan effect in our main analysis is not driven by a decline in Social Democratic institutional leverage, but by a weakening of the electoral incentives attached to using that leverage for social housing provision.

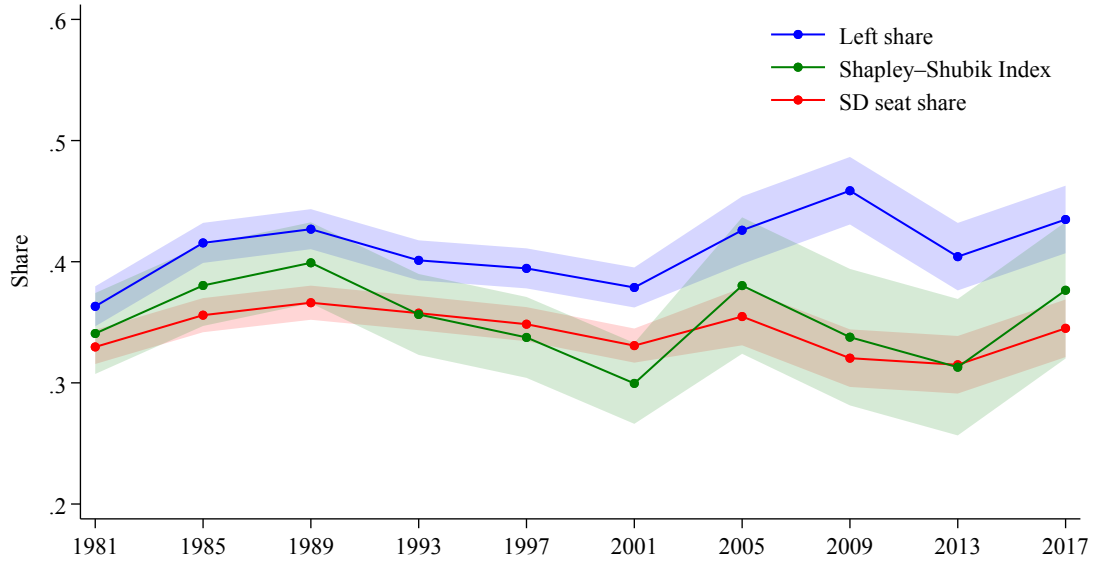Figure L.1: Results at Different Placebo Cut-offs

Table L.1: The Effect of an Additional Seat on Parties Bargaining Power

	Bargaining Power (SSI)		
	(1)	(2)	(3)
	Pooled	Before '95	After '95
SD Wins Marginal Seat	0.122**	0.0813	0.152**
	(0.0320)	(0.0555)	(0.0444)
MSE Optimal Bandwidth	0.02	0.01	0.02
Mean (DV)	0.35	0.37	0.33
Effective Observations	959	382	452
Total Observations	2017	1092	925

Notes: Local Linear Regression within the CCT MSE Optimal Bandwidth and a triangular kernel. Standard errors in parentheses. * p<0.05, ** p<0.01.